

Regular Meeting

Present: Mayor Terry M. Bellamy, Presiding; Vice-Mayor Jan B. Davis; Councilman Kelly M. Miller; Councilman R. Carl Mumpower; Councilman Brownie W. Newman; Councilman William A. Russell Jr.; City Manager Gary W. Jackson; City Attorney Robert W. Oast Jr.; and City Clerk Magdalen Burleson

Absent: Councilwoman Robin L. Cape

PLEDGE OF ALLEGIANCE

Mayor Bellamy led City Council in the Pledge of Allegiance.

INVOCATION

Councilman Mumpower gave the invocation.

I. PROCLAMATIONS:

A. PROCLAMATION PROCLAIMING OCTOBER 2009 AS “SISTER CITIES MONTH”

PROCLAMATION PROCLAIMING OCTOBER 13, 2009, AS “ASHEVILLE-SAUMUR ROTARY FRIENDSHIP EXCHANGE DAY”

Mayor Bellamy read the proclamation proclaiming October, 2009, as "Sister Cities Month" in the City of Asheville. She presented the proclamation to Dr. Andrew Craig, President of Asheville Sister Cities Inc., and other Asheville Sister Cities members, who briefed City Council on some activities taking place during the month.

She also read the proclamation proclaiming October 13, 2009, as "Asheville-Saumur Rotary Friendship Exchange Day" in the City of Asheville. She explained that this is a Friendship Exchange visit from the Rotary Club of Saumur, France to the Rotary Club of Asheville. The Rotary Friendship Exchange Program advances international understanding and peace through personal contact across the borders while developing inter-club relationships that lead to fellowship and service projects. The Friendship Exchange Team consisted of Christian and Genevieve Cambo; Guy and Maguy Morand; Richard and Isabelle Devy; Helene Reynouard; Sylviane and Jacques Cailleux; and Alain and Bernadette Le Quellec. She presented this proclamation also to Dr. Craig.

B. PROCLAMATION PROCLAIMING OCTOBER 2009 AS “NATIONAL ARTS & HUMANITIES MONTH”

Councilman Newman read the proclamation proclaiming October, 2009, as "National Arts & Humanities Month" in the City of Asheville. He presented the proclamation to Mr. Charlie Flynn-McIver, Artistic Director at NC State Company, and Mr. Jim Julian, Board member for Arts 2 People and local artist/performer, who briefed City Council on some activities taking place during the month.

C. PROCLAMATION PROCLAIMING OCTOBER 12-16, 2009, AS “INDUSTRY APPRECIATION WEEK”

Vice-Mayor Davis read the proclamation proclaiming October 12-16, 2009, as "Industry Appreciation Week" in the City of Asheville. He presented the proclamation to Mr. Clark Duncan and Mr. Ben Teague who briefed City Council on some activities taking place during the week.

II. CONSENT AGENDA:

At the request of Councilman Mumpower, Consent Agenda Item “E” was removed from the Consent Agenda for discussion and/or an individual vote.

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON SEPTEMBER 22, 2009

B. RESOLUTION NO. 09-214 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH SUNGARD HTE FOR ONGOING MAINTENANCE OF SOFTWARE SYSTEMS

Summary: The consideration of a resolution authorizing the City Manager to sign an agreement with SUNGARD, Inc. formally HTE, to provide maintenance coverage for the City's HTE Software.

SunGard/HTE, located in Lake Mary, Florida, has provided maintenance services for the City's HTE Software since installation of the system in 1997. Since this company received the bid for this software in 1997 and its proprietary software, we must contract our maintenance through this company and they have no subsidiaries in North Carolina. The service agreements are renewed annually. This maintenance covers currently used critical applications such as payroll, banking, and other core financial services during the transition to the BTIP project. The maintenance cost of this software for the renewal period of July 1, 2009, through June 3, 2010, has increased by approximately three percent.

Pros:

- By keeping the HTE Software in optimal condition, the City is able to provide service that is more efficient to our city employee users, giving them the ability to do their jobs in a timely manner.
- This allows the City to provide excellent service to the customer of the City of Asheville and to the vendors who conduct business with the City of Asheville.

Con:

- None noted.

The renewal agreement reflects an annual charge of \$129,548. Funds have been appropriated in the Information Technology Services Contracted Service and the Parking Services Interfund accounts.

City staff recommends City Council adopt the resolution for HTE software maintenance coverage for the term of July 1, 2009, through June 30, 2010.

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C. RESOLUTION NO. 09-215 - RESOLUTION AMENDING THE 2009 CITY COUNCIL MEETING SCHEDULE TO CHANGE THE DECEMBER 8, 2009, MEETING TO AN ORGANIZATIONAL MEETING ONLY; AND ADDING A FORMAL MEETING ON DECEMBER 15, 2009

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D. MOTION APPROVING THE BUSINESS CALENDAR FOR FISCAL YEAR 2009-10

E. BUDGET AMENDMENT IN THE GRANT FUND FROM THE U.S. DEPT. OF JUSTICE FOR YEAR 4 WEED & SEED FUNDING, AND AMENDMENT IN THE GENERAL FUND TO REFLECT A TRANSFER FROM THE GRANT FUND TO SUPPORT PERSONNEL COSTS ASSOCIATED WITH THE GRANT

This item was removed from the Consent Agenda for discussion and/or an individual vote.

F. RESOLUTION NO. 09-216 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE N.C. DEPT. OF TRANSPORTATION FOR THE INSTALLATION OF HIGHWAY/RAILWAY GRADE CROSSING CANTILEVER SIGNALS AT THE INTERSECTION OF RIVERSIDE DRIVE AND NORFOLK SOUTHERN RAILWAY TRACKS

Summary: The consideration of a resolution to enter into an agreement with the N.C. Dept. of Transportation (NCDOT) regarding the installation of highway/railway grade crossing cantilever signals at the intersection of Riverside Drive and Norfolk Southern railway tracks (Crossing # 720-409S) in Asheville.

The "Transportation Equity Act for the 21st Century" provides funding for correcting safety hazards that are located on streets not on the Federal-Aid Highway System as selected by the North Carolina Department of Transportation (NCDOT) and approved by the Federal Highway Administration (FHWA). The subject railway crossing has been selected for this funding. Typically, these types of projects are funded at a 90%/10% ratio but in this specific case, the construction is completely funded with Federal monies. The total estimated cost for the subject project is \$200,000 and it would take about six months to complete the project. The project will be released for construction about one month after the municipal agreement is approved.

The City is responsible for all improvements to the approaches of the subject railway crossing including pavement markings, signs, drainage, sidewalk relocation and/or repair, fill materials, and pipe extensions. And, the NCDOT will reimburse the City 100% of the approved allowable project costs incurred by the City for the approach work. At this time, we anticipate the only approach work needed will include pavement markings and signs at an estimated cost of \$1,500.

The City is responsible for one-half of the annual maintenance cost and that cost is estimated to be about \$1,500 per year. The City currently pays one-half of the annual maintenance cost through the Traffic Engineering operating budget for 10 railway crossings within the City at an annual cost of about \$12,000.

This action complies with the City Council 2009-10 Strategic Operating Plan within the Sustainable Focus Area by maintaining and managing street infra-structure to improve traffic flow and efficiency to help support the healthy growth of the City.

Pros:

- Improves overall safety at an existing railway crossing.
- Minimizes the crash potential.
- Improves traffic flow and efficiency.

Con:

- Cost to the City is estimated to be \$1,500 per year.

- There is no fiscal impact to the City for the construction of the subject project. The project is 100% funded with Federal monies. The City is responsible to pay one-half of the annual maintenance cost, which is estimated to be about \$1,500. The necessary funds will come from the current Traffic Engineering operating budget.

- Staff recommends that City Council enter into an agreement with the NCDOT for installing highway/railway grade crossing cantilever signals at the intersection of Riverside Drive and Norfolk Southern railway tracks (Crossing # 720-409S) in Asheville.

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G. RESULTS OF THE SEPTEMBER 24, 2009, CIVIL SERVICE BOARD EMPLOYEE ELECTION

Summary: One copy of the results of the Civil Service Board employee election held on September 24, 2009, is to be filed with the City Manager and one with the City Clerk, who shall present such certification to the City Council at its next regular meeting. Secretary to the Civil Service Board Jessica Dunlap and City Clerk Burleson provided the following certified certificate on September 24, 2009: We do hereby certify, having opened, canvassed, and determined the original returns of the Civil Service Board employee election, the results of the Civil Service Board Employee Election held on September 24, 2009, noting the name of each person voted for and the number of votes cast for each person as follows: Sidney M. Bach - 192; Jacquelyn Hallum – 196; Virginia Robinson – 227; and Charlotte Tell – 216.

Mayor Bellamy asked for public comments on any item on the Consent Agenda, but received none.

Mayor Bellamy said that members of Council have been previously furnished with a copy of the resolutions and ordinances on the Consent Agenda and they would not be read.

Vice-Mayor Davis moved for the adoption of the Consent Agenda. This motion was seconded by Councilman Russell and carried unanimously.

ITEMS REMOVED FROM THE CONSENT AGENDA FOR INDIVIDUAL VOTES

E. ORDINANCE NO. 3796 - BUDGET AMENDMENT IN THE GRANT FUND FROM THE U.S. DEPT. OF JUSTICE FOR YEAR 4 WEED & SEED FUNDING, AND AMENDMENT IN THE GENERAL FUND TO REFLECT A TRANSFER FROM THE GRANT FUND TO SUPPORT PERSONNEL COSTS ASSOCIATED WITH THE GRANT

Summary: The consideration of a budget amendment in the Grant Fund, in the amount of \$142,000, from the U.S. Department of Justice for Year 4 Weed & Seed funding; and an amendment in the General Fund of \$84,068 to reflect a transfer from the Grant Fund to support personnel costs associated with the grant.

In October 2004, elected officials, City staff and Asheville citizens mobilized to develop comprehensive strategies to address issues of law enforcement, neighborhood restoration, and prevention/intervention/treatment programs and activities in the

West Riverside area of Asheville as part of a Weed and Seed initiative. The strategy was introduced to the community, via a series of public meetings, to determine the concerns of residents of the targeted area. The strategy was favorably received with the understanding that residents would be integrally involved in the planning and implementation of the initiative.

In July 2006, the U.S. Department of Justice announced the designation of Asheville as an "Officially Recognized" site for the federal Weed and Seed initiative aimed at reducing crime and improving quality of life. Official recognition made the City of Asheville eligible to apply for Weed and Seed funds once a year over a five year period. The first funding application was approved and awarded in August 2006.

On August 27, 2009, Acting Assistant Attorney General, Laurie Robinson, announced the City of Asheville's application for fourth year continuation funding was approved in the amount of \$142,000. 50% of the funds will be used to support law enforcement and community police programs and 50% will be used to support neighborhood initiatives such as youth services, parenting programs, health and nutrition programs, vocational programs, neighborhood clean-ups, housing services, and the salary of the Weed & Seed site coordinator. No additional City funding will be required to support this fourth-year grant.

The West Riverside Operation Weed and Seed steering committee, residents and several agencies such as the Housing Authority of the City of Asheville, Asheville City Schools, Children First/ Communities in Schools of Buncombe County, OnTrack Financial Education and Counseling, Asheville Greenworks, GO Asheville, LEAF in Schools and Streets and others continue to collaborate to improve quality of life for the residents of the West Riverside area of Asheville.

Data collected over the last 2.5 years suggests the initiative is having an impact in the targeted area. When comparing the averages from 2 years before strategy implementation to the 2.5 years since implementation, the following changes have been recorded: a 44% decrease in drug calls for service, a 12% decrease in violent crime and a 28% decrease in weapons offenses. An independent evaluator completed a survey of residents in 2009 and made the following assessment, "data shows that the areas where the Weed and Seed program have dedicated resources are improving, but that there is justification for the continued dedication of resources. Efforts should be continued, as many residents see gains being made in public safety and community appearance in the past two years. However, the respondents [residents of the Weed and Seed area] also provide evidence that there is more room for improvement."

This action complies with the City Council Strategic Operating Plan in that it supports small business development (Affordable Focus Area). It also complies with the following goals in the "Safe Focus Area": continue community policing initiatives, reaffirm commitment to eliminate open air drug market in Asheville, partner with intergovernmental agencies including the judicial system to comprehensively address drug-related crime, support recreation and employment alternatives for youth at risk of gang exposure. Finally, it complies with the "Sustainable Focus Area" in that it expands partnerships with UNCA, AB Tech and other institutions to achieve goals in health and wellness, workforce development, and economic development.

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Pros:

- Significantly reduce violent crime and drug activity in a high crime area
- Provide a comprehensive crime prevention plan to address law enforcement, neighborhood restoration and prevention/intervention/treatment programs with the residents of the targeted area
- Mobilize community residents to collectively improve the conditions in the targeted area
- Provide resources for residents as a means of personal growth and development
- Address the social, educational, economic and cultural issues in the targeted area through multi-agency collaborations
- Leverage resources to sustain the program and replicate the strategies in other challenged areas in the city

Con:

- Some resistance to change by the residents who live in the target area.

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The fiscal impact is grant revenue of \$142,000 in Fiscal Year 2010 to implement the comprehensive Weed and Seed strategy which funds police overtime, police equipment, a coordinator position, and community-based resource provider contracts among other things at no additional cost to the city. The City anticipates that the U.S. Dept of Justice will fund the Weed and Seed initiative through June 2012.

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City staff recommends City Council adopt a budget amendment in the Grant Fund, in the amount of \$142,000, from the U.S. Department of Justice for Year 4 Weed & Seed funding; and an amendment in the General Fund of \$84,068 to reflect a transfer from the Grant Fund to support personnel costs associated with the grant.

Councilman Mumpower was concerned that the City is further aggravating the existing trillion dollar deficit. He felt we need help from the federal government, but not in this area and not with borrowed dollars that our children will have to pay back.

Councilman Miller moved for the adoption of Ordinance No. 3796. This motion was seconded by Vice-Mayor Davis and carried on a 5-1 vote, with Councilman Mumpower voting "no."

ORDINANCE BOOK NO. 25 – PAGE

III. PRESENTATIONS & REPORTS:

A. ECONOMIC STIMULUS PACKAGE UPDATE

American Recovery & Reinvestment Project Manager Brenda Mills updated Council on the City's American Recovery & Reinvestment Act (ARRA) reporting, funding and upcoming event announcements for vendors.

Federal Reporting

Reporting for ARRA began on October 1, 2009, through the FederalReporting.gov website. City staff were trained and assisted in completing reports that were submitted via this web portal on Monday, October 5, 2009, for grants in which the City of Asheville was a prime recipient. The reporting cycle will be quarterly so the next cycle will be January 1-10, 2010, to submit reports with progress on funding expenditures. Funding for grants from the State of North Carolina are reported as sub-recipient reports to the corresponding state agencies for reporting to the federal government.

Reporting will be reviewed by federal agencies, comments on revisions made for local and state agencies to update and then the public will have access to all data on Recovery.gov thirty (30) days following initial submission to FederalReporting.gov.

Prime Recipient Awards

CDBG-R
Homeless Prevention
Energy Efficiency & Conservation Block Grant
Edward J. Byrne JAG Solicitation Grant
Transit Capital

Sub-recipient Awards

NCDOT Surface Transportation
NCDENR SRF Drinking Water
NCDENR SRF Clean Water
NCDAQ Mobile Emissions Reduction
Clean Cities Grant

Clean Cities Grant: Carolina Blue Skies Green Jobs (Department of Energy)

The City of Asheville will be receiving ARRA funds as part of a state-wide Department of Energy (DOE) Clean Cities grant application that we participated in through Land-of-Sky Regional Council.

Through this application, DOE has awarded \$300 million to 23 groups. The Triangle J Council of Governments in Raleigh is one of the prime recipients, and Asheville will be a sub-recipient under their contract. The total award to the Triangle J COG is just under \$13 Million. This total is \$1.7 million less than requested in the grant application, and so in the next month the sub-recipients (about 10) will shave off dollars from the original proposals.

The City of Asheville's original request was for \$749,015, which would fund the incremental cost of purchasing 11 new CNG pick up trucks, the retrofit cost to convert 11 existing pickups in our fleet to CNG, and a CNG station upgrade to be able to support the increased demand. As we are asked to trim our request, we plan to do so by pursuing less retrofits.

We will share the final amount with once we work through this process, but we are hoping it will be approximately \$500,000+. This would be a significant investment in our fleet and CNG station.

Upcoming Events & Information Sessions

Locally, an outreach session is planned for all local vendors on ARRA update funding areas and doing business along with a session on capital access options. The session is scheduled for October 15, 2009, from 9:30 a.m. to 3:30 p.m. at the A-B Tech Enka Campus Haynes Room. No RSVP required. Presenters include the City of Asheville, Buncombe County, regional business service providers and local financial institutions.

The City of Asheville will host another session open to all vendors on November 18, 2009, from 9:30 a.m. to 12:30 p.m. at the City's Municipal Building Training Room. We will review the City's ARRA status and contracting opportunities and continue in our efforts to get vendors registered for notification of contracting opportunities.

Councilman Mumpower voiced his concern about the City's participation in the ARRA program.

When Councilman Mumpower asked if we have information about how many jobs the ARRA funding has created in Asheville, Ms. Mills said that we are still receiving approvals for the funding and we will be tracking those statistics for reporting purposes.

Councilman Newman was pleased to see that we will be retrofitting vehicles to CNG in that we are trying to manage our utility costs and reduce our environmental impact as well.

IV. PUBLIC HEARINGS: None

V. UNFINISHED BUSINESS:

A. W.C. REID CENTER

Livingston Park/W.C. Reid Center Master Site Plan

Ms. Jane Mathews, Principal of Mathews Architecture, P.A., updated Council on the Master Site Plan and what is currently proposed for Phase I of that Plan. Using illustrations, she said that the site is planned to have up to 3-4 phases, depending on funding. It is also planned to create a new site that still allows for connectivity to a greenway, to outdoor fields and play areas for children, a secure outdoor splash park, community garden, outdoor market and the adjacent needs of parking. She then described in detailed the entire building. One component is the community cultural arts component – Phase I. Phase I currently includes an auditorium, theatre, three classrooms, adjacent restrooms, office space, storage and mechanical, splash park area, including all of the parking on-site. The center component is the physical activity component. That would be the replacement for the existing gym facility at the W.C. Reid Center, adjacent locker rooms, showers, a therapy pool, wellness rooms for training and consultation, adjacent offices and restrooms. The third component is the community education component which includes community kitchen and teaching areas, other outreach class areas for community services, as well as a greenhouse (which is a separate component).

Phase I Project Timeline and Funding Recommendations for W.C. Reid Center

Phase I

Chief Financial Officer Ben Durant said that this is the consideration of a financing plan the Reid Center Capital Project.

The WC Reid Center Capital Project currently has an authorized budget of \$600,000. Approximately \$448,000 of this budget has already been spent or committed to be spent for design-related services, including the development of a site master plan and associated construction documents. A balance of approximately \$152,000 remains in the project budget that can be used for construction, upon approval of an updated WC Reid Center capital improvement and financing plan.

Plans for constructing a new WC Reid Center have been divided into two phases. Phase I involves construction of the community center building, which will accommodate a community theatre, classrooms, office space, restrooms and storage facilities. Phase I also includes plans for parking, landscaping and other amenities. Based on current cost estimates, an additional \$1.8 million will need to be added to the remaining balance of the existing project budget, which will provide approximately \$2.0 in construction and contingency funds to complete Phase I of the project.

Phase II of the WC Reid Center project calls for construction of a new gymnasium. Based on current estimates, an additional \$2.9 million would be needed for completion of this phase.

Funding Plan

Per City Council direction, staff has been asked to develop a funding plan for the completion of Phase I and Phase II construction of the WC Reid Center project. Staff's recommended plan is outlined below.

Phase I. The recommended funding plan for Phase I is as follows a) amend the project budget to add a total of \$732,400 in secured and confirmed donations from various donor sources b) add the balance of approximately \$152,000 from the project budget; and c) secure private bank financing in the amount of \$1.07 million to cover the balance of funds needed for Phase I. The total of donations and bank proceeds is equivalent to approximately \$2 million needed for Phase I.

The following is a list of donations totaling 732,400 that have been secured and confirmed to date:

Funder: Raise the Roof at the Reid Community Campaign	Amount: \$57,400
Funder: Janirve Foundation	Amount: \$600,000

Funder: Eaton Charitable Fund	Amount: \$25,000
Funder: Glass Foundation	Amount: <u>\$50,000</u>
Total	\$732,400

Also in the current budget there is \$45,000 that was pledged by the Junior League and that is already included in the \$600,000 budget. There is also the potential for additional funding in the amount of \$300,000 from the Eckerd Foundation. Although a firm commitment is not in place for that yet, if that comes through that could be used for subsequent phases of the project.

Phase II. As previously stated, Phase II involves constructing a new gymnasium and other amenities at an estimated cost of \$2.9 million. Given the significant amount of funding required to complete Phase II, staff recommends developing a funding plan for this phase as part of the of Fiscal Year 2010-11 Annual Budget and Capital Improvement Planning (CIP) process, which will be underway beginning in January. Staff feels that this phase of the project should be reviewed comprehensively and weighed against other capital improvement priorities that will have to compete for limited CIP resources.

Pros:

- Interest rates are currently favorable, making this a good time to finance capital projects. Based on favorable interest rates, the City is likely to secure an interest rate lower than the estimated 6%.
- The City's debt service costs will decline in the next two years, enabling the city to absorb this new debt service cost in year two without increasing the base budget for debt service expenses

Cons:

- The City will be committing its resources for capital planning and debt service in advance of a full and comprehensive review of departmental capital improvement requests.
- Additional debt service expenses for any new capital project will add stress to a budget that is already "tight" due to current economic conditions.

The financial impact of moving forward with a financing plan for Phase I construction of the community center is to increase in the city's annual debt service cost by approximately \$110,000. This is based on a financing term of 15 years and a conservative interest rate of 6%. Due to timing issues related to issuing the debt, the City is only likely to incur a half a year's debt service payment in the current year, which would reduce the Fiscal Year 2009-10 financial impact to \$55,000. Funding for this half-year payment can be covered by un-programmed funds currently available in the City's capital reserve account.

Staff is recommending proceeding with the financing plan for Phase I and reviewing Phase II as part of the annual budget review process.

Councilman Newman moved to proceed with the financing plan for Phase as follows a) amend the project budget to add a total of \$732,400 in secured and confirmed donations from various donor sources b) add the balance of approximately \$152,000 from the project budget; and c) secure private bank financing in the amount of \$1.07 million to cover the balance of funds needed for Phase I. This motion was seconded by Councilman Miller.

In response to Councilman Mumpower about the sewer line through the middle of the property, Ms. Mathews said that Metropolitan Sewerage District has a proposal to abandon that line and replace it, at their expense, to a different location on the site adjacent to the stream. We do have a commitment from Metropolitan Sewerage District that we can build a connector over the existing line, which is very deep.

When Councilman Mumpower asked about staffing requirements, Parks, Recreation and Cultural Arts Director Roderick Simmons said that the new facility will be operated with our existing staff of 2 full-time employees and 2 part-time employees.

In response to Councilman Mumpower, Ms. Mathews said that she was unable to provide the square footage numbers for all the phases at this time; however, a ballpark for the entire new facility would be approximately 21-22,000 square feet.

Councilman Mumpower was concerned (1) that we have facilities all over town that need upgrade and this is for one neighborhood; (2) about staffing for that kind of a facility; (3) about swapping the existing 37,000 sq. ft. facility for one roughly half that size; and (4) that we will end up with two facilities (existing and new) that we will have to staff at a significant debt load in a time our economy is in major jeopardy. He felt we should renovate the existing center.

In response to Councilman Mumpower, Mr. Simmons said that they will have community dialogue for what to do with the existing facility as they have no current plan.

Councilman Russell noted that he originally supported this plan. However, after all phases are completed this will put it back at the original \$8 Million Plan and he could not support it at this time. He hoped that in the future, staff would include in the fiscal impact statements what the borrowed amounts are, not what the annual debt service would be.

In response to Vice-Mayor Davis, Mr. Simmons said that the Phase I development can stand alone and we do have funding in place for Phase I.

Vice-Mayor Davis was excited about the other phases, but he didn't want to raise the expectation of the community that the future phases will happen, especially in this economy. He was particularly excited about the greenhouse, especially since it has a great opportunity of partnership. He felt the sale of the property that the existing Reid Center sits on go should go towards the purchase of these later phases. He felt comfortable in guaranteeing the community a \$2 Million state of the art community cultural arts component – Phase I. And, the existing facility can serve as the gym until future phases are built out.

Councilman Miller noted that kids that are affected the most in making right choices are during the after school hours and those after-school programs are full. Putting kids in a gym isn't the sort of program that will affect change. He is personally excited about Phase I and in the near future kids will have an alternative to not being home alone but to go to a facility like this and being in an environment that changes how they make choices in their life.

Mayor Bellamy said that the existing Reid Center is the City's property and we have to improve all our facilities sooner or later. The price tag for the overall project is approximately \$8 Million and as she makes this decision, she is thinking about the entire project. She felt we need to look at the next funding for the entire project immediately. Council adopted the Parks & Recreation Master Plan and one of the highest priorities was the W.C. Reid Center – not Phase I, but the entire center. She finds it difficult to make investments in other parks and greenways without completing this as we need to finish what we start. She supported Phase I and looked forward to continuing discussion in January about Phases 2 and 3. She also supported looking at selling the existing facility and using those funds to go toward the existing phases. We must look at the safety of our children and this facility is a safe haven for a lot of children in that neighborhood. We need to complete the entire project and not rely on the community – we already know the Housing Authority would like to have office space there. She also supported looking at federal funds that could assist us.

Ms. Sophie Dixon, resident on Brooklyn Road, supported completing the project in its entirety.

Rev. Christopher Chiaromonte supported using the community centers for more than just children. He suggested posting a police officer in the facility in the evenings and opening the doors for the homeless to sleep, especially since the centers will have heat.

Mr. Alan Ditmore, Leicester resident, explained why he felt Asheville wouldn't have a problem with child care on such a high proportion if Asheville had a more gay friendly image and was able to attract a higher proportion of gay residents.

Mr. Christopher Sean Hollifield suggested the project be completed in one entire phase which would cost less and would be done at a quicker pace.

In response to Mayor Bellamy, Ms. Mathews said that the project is designed as a one level accessible facility, explaining how the gym should be on grade. The project is not designed to be multi-floors and they have not designed elevators, stairs or towers. However, if they had the design time, they could look at a multi-story building; however, they were asked by City Council to do a master plan and asked to accommodate a lot of things. The configuration addresses a lot of elements, in addition to architecture. This is a well thought out plan by the entire team, but that doesn't mean that they can't, if given direction from Council, to look at consolidating it into a two-story building. But, they were also directed to look at ways that it could be broken into construction phases.

When Mayor Bellamy asked if it would be helpful to let Ms. Mathews a number up-front for the future phases, Ms. Mathews said that different elements have different costs per square foot and if they were given a funding amount they could tell Council what they can build.

When Mayor Bellamy asked if it would help staff with financing options if Council said how much they wanted to budget for Phases 2 and 3, Mr. Durant didn't believe there are estimates or construction documents for Phases 2 or 3. He felt the first step would be knowing what we want to build, put some estimates together, and then let that be the beginning process. Then we would look at what funding options are available. Staff would be happy to proceed in any path Council chooses, but he did explain what

typically happens with the Capital Improvement Plan process, which he would recommend.

Councilman Miller did not advocating going back and re-designing the facility as it would be very expensive. He noted that the completion date of Phase I is anticipated to be December of 2010. He felt it would be appropriate to look at Phases 2 and 3 and see if they rise to the top of the Capital Improvement Plan.

Councilman Newman agreed that as we move on in the project we should use the proceeds from the sale of the existing facility for Phases 2 and 3. If he thought we were only voting on Phase I only and then not moving forward, he would not vote in support of this. But when we pull all of our resources together, there will be opportunities to make a great community facility happen on this site. We are moving the first piece forward and then making future phases of this build-out happen too. He was confident we can find a financially responsible way to do that.

Mayor Bellamy asked for a friendly amendment that staff provide Council a status report on the Reid Center on a quarterly basis at a Council meeting, which can be part of the Quarterly Strategic Operating Plan update. Councilman Newman and Councilman Miller accepted the friendly amendment.

The following amended motion made by Councilman Newman and seconded by Councilman Miller carried on a 4-2 vote, with Councilman Mumpower and Councilman Russell voting "no" – Motion to proceed with the financing plan for Phase as follows a) amend the project budget to add a total of \$732,400 in secured and confirmed donations from various donor sources b) add the balance of approximately \$152,000 from the project budget; and c) secure private bank financing in the amount of \$1.07 million to cover the balance of funds needed for Phase I; and to have staff provide Council a status report on the Reid Center on a quarterly basis at a Council meeting, which can be part of the Quarterly Strategic Operating Plan update.

B. RESOLUTION NO. 09-217 - RESOLUTION AMENDING THE FEES & CHARGES MANUAL TO ALLOW FOR DISCOUNTS FOR PARKING FEES FOR INDIVIDUALS OR AGENCIES THAT HOLD FIVE OR MORE MONTHLY PARKING SPACES IN THE CIVIC CENTER GARAGE OR PURCHASE 300 OR MORE HOURLY PARKING PASSES FOR ANY GARAGE

Director of Public Works Cathy Ball said that this is the consideration of a resolution modifying the City of Asheville Fees and Charges Manual to include the following: (1) Fifteen percent (15%) discount for ten or more monthly parking spaces owned by one individual or agency in Civic Center Garage; (2) Ten percent (10%) discount for five to nine monthly parking spaces owned by one individual or agency in the Civic Center Garage; and (3) Fifteen percent (15%) discount for 300 or more bulk vouchers purchased at one time by the same individual or agency for hourly parking in any City operated parking garage.

In May 2009, the Downtown Commission requested that the City evaluate the potential for allowing discounts for volume purchases of monthly parking spaces as well as hourly vouchers. The purpose of the request was to provide incentives for employers to buy monthly parking passes for employees thus freeing up on-street parking spaces.

Staff developed a recommended discount based on these guiding principles:

- providing a meaningful discount;
- minimizing the impact to future financial stability of the parking enterprise fund; and,
- balancing proposed volume discounts with other parking rates such as surface parking lot rates.

Based on these principles staff recommends the following parking rate changes:

- (1) Fifteen percent (15%) discount for ten or more monthly parking spaces owned by one individual or agency in Civic Center Garage; and
- (2) Ten percent (10%) discount for five to nine monthly parking spaces owned by one individual or agency in the Civic Center Garage; and
- (3) Fifteen percent (15%) discount for 300 or more bulk vouchers purchased at one time by the same individual or agency for hourly parking in any City operated parking garage.

This action complies with Council's Strategic Goals by supporting diversified job growth and small business development. The City Council Finance Committee has reviewed and support this recommendation unanimously.

Pros:

- Provides incentives for employers to purchase multiply monthly parking spaces in the Civic Center Garage where the greatest availability for monthly parking exists.
- Provides incentive for businesses to purchase bulk hourly vouchers for customers.

- Increase availability of hourly on-street parking.

Con:

- The proposal will have a financial impact on the parking fund as described below.

The estimated fiscal impacts for each of the discounts are outlined in the table below. The total negative impact to the Parking Enterprise Fund is estimated to be no more than \$35,000.

	Type of Discount	Current Number of Customers that Qualify	Annual Discount (based on current use)
(1)	15% - for more than 10 monthly parking spaces in the Civic Center Garage	8 @ 187 spaces	\$23,562
(2)	10% - for more than 10 monthly parking spaces in the Civic Center Garage	5 @ 27 spaces	\$2,268
(3)	15% - 300 or more bulk hourly vouchers	Unknown	\$5,000 estimated
	TOTAL		\$30,830

The consideration of a resolution modifying the City of Asheville Fees and Charges Manual to include the following: (1) Fifteen percent (15%) discount for ten or more monthly parking spaces owned by one individual or agency in Civic Center Garage; (2) Ten percent (10%) discount for five to nine monthly parking spaces owned by one individual or agency in the Civic Center Garage; and (3) Fifteen percent (15%) discount for 300 or more bulk vouchers purchased at one time by the same individual or agency for hourly parking in any City operated parking garage.

When Mayor Bellamy asked for public comments, none were received.

When Vice-Mayor Davis said that the Downtown Commission felt this may not been enough of an offset, Ms. Ball said the way they set the 15% threshold is that they wanted it to be significant but they didn't want to undercut some of the other parking, since we have some surface parking lots at \$55.00. We didn't want the covered parking to be less than the surface parking unless we reduced that also because the value of the covered parking is higher. To her knowledge there has not been any test from the downtown merchants to see if that is enough of a discount that would cause them to purchase them in bulk.

At the suggestion of Vice-Mayor Davis, Mayor Bellamy asked for a 6-month update on how these discount rates are working; the meter services; how the new parking garage equipment is working; gathering of data on how much on-street parking is being affected by people coming out of the garages and parking on-street; staff look at the difficulty of getting out of the automated parking garage equipment, especially on special event evenings; and, that we monitor if the discounted price is working and if not we might need to lower the price even further to make it successful.

Councilman Mumpower spoke against giving some people a discount, but not everyone.

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

Councilman Russell moved for the adoption of Resolution No. 09-217. This motion was seconded by Councilman Miller and carried on a 5-1 vote with Councilman Mumpower voting "no".

RESOLUTION BOOK NO. 32 – PAGE 235

C. RESOLUTION NO. 09-218 - RESOLUTION AMENDING THE FEES & CHARGES MANUAL FOR A NEW FARE STRUCTURE FOR THE BLACK MOUNTAIN INTERCITY SERVICE – ROUTE 28

Transportation Director Ken Putnam said that this is the consideration of a resolution amending the Fees and Charges Manual for a new fare structure for the Black Mountain Intercity Service - Route 28.

The North Carolina Department of Transportation (NCDOT) informed the City in December 2008 that the Intercity funding for Routes 28 and 54 (Black Mountain and Weaverville, respectively) would be discontinued effective November 1, 2009 because a recent assessment of the routes determined that they were not compliant with the requirements of Circular 5311 (f).

This assessment was prepared by the Institute for Transportation Research and Education (ITRE) at the request of the

NCDOT and included all of the intercity routes throughout the state.

The main concerns included publishing the scheduled stops at the Greyhound station, partnering with Greyhound, and making meaningful temporal connections to the Greyhound routes arriving and departing from the Asheville Greyhound bus terminal.

These routes are currently fully funded with state funds approved by the NCDOT Board of Transportation until October 31, 2009. Total current funding for Route 28 (Black Mountain) including the funding for Mountain Mobility's Black Mountain Trailblazer is \$287,398 plus a local match of \$37,500 for a total of \$324,898. The City's contribution is only the farebox revenue.

The City worked closely with ITRE to develop service options and presented a proposal to NCDOT on July 10, 2009. NCDOT decided to only fund Route 28 (Black Mountain) because of the regional significance of the route. The proposal is pending NCDOT Board of Transportation approval. If approved, the route would be funded through June 30, 2010.

The proposed route would start and end at the Asheville Transit Center and turn into the Greyhound Bus station, inbound and outbound on Tunnel Road. The route would begin by using Tunnel Rd, to I-240 to I-40 and then use Exit 55/Porter Cove Road to US-70 to serve Warren Wilson College. Then the route would continue out US-70 to the towns of Swannanoa and then Black Mountain. The route would return inbound using the same route as it did on the outbound trip. This route would serve a total of six stops and provide a strong intercity connection between limited points east of Asheville and the Asheville Greyhound station. Six trips will be offered to and from Black Mountain. The headway will be 1 hour 45 minutes.

As part of the requirements to consider funding for this route, NCDOT requested the City to reevaluate and increase the revenues. Three options were considered: increase partnerships, increase current partner's participation, and increase fares. Staff approached the Town of Black Mountain, Warren Wilson College, and Ingles. At this time only Black Mountain has committed to increase its participation; staff continues negotiations with Warren Wilson College and Ingles. Route 28 proposed budget is as follows:



The farebox revenue was calculated based on ridership the route will lose as a result of the fare increase (approximately 24%). The Transit Master Plan assumes that 0.43% of ridership will be lost for any 1% of fare increase. The contributions are based on what the partners expressed they will be willing to contribute, though Warren Wilson is still pending approval.

Please note that there would ***not*** be a direct fiscal impact to the City of Asheville for the anticipated operations budget. The City would ***not*** be responsible for any of the anticipated funds and the contribution will be limited to the farebox revenue.

The new fare structure is based on industry standards for Intercity routes and compares with Greyhound fares. The fare proposed for Route 28 is based on \$.10 per mile, which determines two different tiers according to the destination. In addition, City staff is aware of the impact this fare increase will have on commuters and has developed an Intercity monthly pass to offset some of these costs; this source of revenue has to be approved by the North Carolina Board of Transportation:



The growth in ridership observed on Route 28 (64% 2006-2009), as well as on the Black Mountain Trailblazer (27% 2006-2009) since their inception, is a clear indication of the invaluable service these routes are providing to the community. The routes, now in their eighth year of operation, are carrying over 60,000 passengers a year.



Although there is not now and there would not be a future direct fiscal impact to the City of Asheville, if the NCDOT chose not to fund the subject route, one position would be eliminated.

This action complies with the City Council Strategic Operating Plan in the green and sustainable focus areas by seeking ways to fully leverage funding from the State and other funding sources for regional transportation improvements and to establish a multi-modal transportation plan including sidewalks, bike paths, signal preemption, transit and other system improvements.

City Council passed a resolution on June 23, 2009, affirming the importance of Intercity Transit Service. The Transit Commission has also supported the continuation of the intercity routes.

The subject item was reviewed by the City Council's Finance Committee on September 29, 2009, and it was agreed that the item should move forward to City Council.

Pros:

- This action is a step toward retaining the service and funding for the subject route.
- This action does not commit the City of Asheville to disburse any funds for the operation of the subject route.

Con:

- None

City staff recommends that City Council approve a resolution amending the Fees & Charges Manual for the fare structure in order to keep the Black Mountain Intercity Service - Route 28 in operation.

Councilman Mumpower said that he was approached by a person who explained the necessity of continuing the Asheville - Weaverville route. He asked for Council to re-consider the route which will end on October 31. He provided Council with copies of

a petition containing 30 names of individuals which use the bus for mainly work and school. The petitioners also suggest a revised plan for bus service just in the morning and in the evening, leaving out three middle trips, which will save money.

Mayor Bellamy said that the adoption of the Transit Master Plan will be coming to Council on October 27 at which time all routes will be evaluated. Staff was instructed to evaluate that particular route to see what options would be available, along with the budget figures. A suggestion was made to see what type of transportation Buncombe County has started in that direction as well.

Mr. Christopher Sean Hollifield stressed to Council the need to re-consider a revised Weaverville route with one in the morning and one in the evening. People need the bus for transportation to work and to school.

Councilman Newman suggested Mr. Hollifield and those who signed the petition talk with the Buncombe County Commissioners as well as the Weaverville Town Council, especially since the Town of Weaverville said they didn't want that service. He felt the City taxpayers shouldn't be financially responsible carry a transit service outside the City limits and we need some partners to make that happen. He hoped we can provide some assistance, but others need to step forward.

Councilman Mumpower felt that transportation is one of our best social services and what might be a small increase to us is dramatic to others.

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

Councilman Russell moved for the adoption of Resolution No. 09-218. This motion was seconded by Councilman Miller and carried on a 5-1 vote, with Councilman Newman voting "no".

RESOLUTION BOOK NO. 32 – PAGE 236

D. RESOLUTION NO. 09-219 - RESOLUTION AMENDING THE FEES & CHARGES MANUAL TO ALLOW ADJUSTING OF GOLF COURSE RATES TO MEET MARKET CONDITIONS

Parks, Recreation and Public Facilities Director Roderick Simmons said that this is the consideration of a resolution amending the Fees & Charges Manual to allow for a fee adjustment policy for the Municipal Golf Course.

In the fall 2008, the Recreation Board recommended to City Council the full slate of proposed Fiscal Year 2009-10 fees charged for services of the Asheville Parks, Recreation and Cultural Arts Department. The fees included fees charged at the Asheville Municipal Golf Course. The fees were then approved by City Council. Since then, change in the local golf market, economy and changes to the structure and expectations of the golf course budget has occurred.

The golf course is an enterprise fund and is expected to operate within a balanced budget with no subsidy from the City of Asheville general fund. To accomplish that, the golf course revenue and expenses must balance, and managers need the tools to make adjustments to both during the course of the fiscal year as changes in the local golf market, economy and golf conditions vary. This has been increasingly apparent in the last fiscal year as local golf courses have adjusted golf fees down and offered golf incentives during a particularly difficult economic period.

Staff is recommending the following fee adjustment policy

Proposed Fee Adjustment Policy

- The setting of the seasonal fees within the fee ranges would be proposed by staff and then reviewed by the Director of the Parks, Recreation and Cultural Arts Department and The Finance Director prior to implementation.
- If it is deemed necessary to change fees during a season there would be a minimum two week public posting at the golf course prior to fees being changed.
- Golf Course fees will be set with sensitivity to the surrounding market. Prior to fee being adjusted, staff will produce a competitive analysis of specific fees in the market, and fees will be set to optimize total revenues and balance the budget.
- Golf Course fees will never be adjusted higher than fees adopted by City Council during the annual fees & charges process.

In July 2009 the Recreation Advisory Board reviewed and approved the fee adjustment proposal which included (1)

establishing green fees within a fee range that will allow managers to make adjustments as needed but stay within the approved fee range, (2) adjust the fixed fee for the senior weekday pass and the 30-day pass, and (3) adjust fixed golf cart fees. The fee adjustments are projected to generate additional revenue in Fiscal Year 2009-10.

This action complies with the City's Council Strategic Operating Plan in that it offers a standard of living that is affordable and attainable for people of all income levels. This action also complies with the Parks, Recreation, Cultural Arts and Greenways Master Plan in that it provides a pricing philosophy conveying the value of the experience through an equitable fee structure that encourages participation.

Pros:

- ÿ Respond to year-round weather conditions and still attract a sustainable volume of customers
- ÿ Remain competitive with other area golf courses
- ÿ Assist in making the golf course an appealing golf destination

Con:

- ÿ We do not have experience with a flexible fee schedule.

The exact impact that this flexible pricing strategy will have on total golf course revenue is unknown at this time; however, the proposed fee adjustment policy is expected to contribute to a balanced golf course enterprise fund. Staff will measure at regular intervals the impact of seasonal adjustments on total revenues and will ensure that appropriate price points are established accordingly.

Staff is recommending City Council approve a resolution amending the Fees & Charges Manual allowing a fee adjustment policy for implementation at the Municipal Golf Course.

After a brief discussion initiated by Mayor Bellamy about the feasibility of privatizing the golf course, it was the consensus of Council to instruct Mr. Simmons to send a question to his List Serve of all his counterparts in the county to see what percentage of their golf courses are privatized, if they have saved money, what were the cost savings were and what were the antidotals. After that is reported back to Council, then Council can determine if they want staff to spend the time for a true analysis of privatization.

When Mayor Bellamy asked for public comments, none were received.

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

Councilman Russell moved for the adoption of Resolution No. 09-219. This motion was seconded by Councilman Mumpower and carried unanimously.

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At 7:05 p.m., Mayor Bellamy announced a short recess.

E. URTV INC. ACTION PLAN

City Attorney Oast said that Council has heard a number of issues regarding URTV Inc. and has asked for more information from the URTV Board. We have received some additional information on September 30 amplifying the information we had received previously, along with a request from URTV requesting renewal of the management agreement with the City. The current management agreement with URTV expires on November 23, 2009. Pursuant to the terms of the agreement, the city is obligated to respond to URTV's request to renew the agreement within 60 days of receiving the request.

Staff recommends a 90-day delay in renewing the management agreement with URTV to allow for staff time to review the package of information submitted by URTV with its request to renew the agreement and to research and develop terms for a new agreement for City Council consideration. During the 90-day extension, staff would develop proposed terms for a new management agreement, including clauses that (1) address compliance with open meetings and public records law and (2) specify the funding amount and payment terms for the duration of the agreement. The additional time would also allow staff to determine what impact, if any, the expiration of the local franchise agreement with Charter Communications will have on public access. The additional time could also be used by the Boards and Commissions Committee and the URTV board to work through any unresolved concerns expressed in the July 20 letter. Per the current management agreement, the terms of the existing agreement would continue until a new agreement is reached.

Staff met with the Boards & Commissions Committee earlier in the day and their consensus was to recommend to City Council that staff draft a new management agreement covering a period of 90 days, including clauses that address compliance with open meetings and public records laws. The Committee also specified prorating URTV's payment by granting them one quarter of the total annual amount until a longer term agreement could be executed. In addition, the Committee reaffirmed their request of the original Board structure.

Vice-Mayor Davis, Chair of the Boards & Commissions Committee, noted that Council is still receiving letters indicating transparency problems with URTV. The City has the ability to appoint two Board members and to fund it and this 90 day delay is our sincere way to say that we want URTV to be a success, but we want to make sure the initial intent is being accomplished.

Rev. Christopher Chiaromonte spoke in support of URTV and felt that they had no problems except for those who are not part of URTV.

Mr. John Blackwell suggested Council entertain proposals from other individuals or groups to manage URTV and that Council retain the right to reject any and all proposals.

Ms. Davyne Dial also suggested Council entertain proposals from others in the community to manage URTV Inc. She said that there are five or six completely built out television stations in the County and given the economy, she suggested combining some of those facilities.

Mr. Alan Ditmore felt the URTV membership dues should be cut, along with the expense of the facility fee.

Mayor Bellamy said that staff will be bringing back a revised management agreement in the near future.

VI. NEW BUSINESS:

A. DISCUSSION OF 24/7 ENERGY CONSERVATION IN CITY BUILDINGS AND THE POTENTIALS OF ENERGY SAVINGS PERFORMANCE CONTRACTING

Exploring the Potentials of 24-7 Climate Control Systems for All City Buildings

Councilman Mumpower said that the problem, from observation, is that city buildings have wide fluctuations in temperature at differing times of day – with an assumption that our HVAC and other energy use systems such as lighting are not programmed or managed on a consistent basis. In view of the number of city government buildings, there seem to be strong potentials for savings and environmental impact through more intentional energy management practices.

His proposal is that the Council majority instruct the city administration to assess potentials for incrementally establishing 24/7 energy management programs for all city buildings.

Suggested methods include (1) We can use our own staff, knowledgeable community resources, and city funding resources to act; (2) We can explore the Energy Savings Performance Contracting (ESPC) approach that provides consultation, facility upgrades, and funding without impact on city resources; see paragraph below; (3) Staff can initiate immediate common sense policies and audit compliance on an informal basis; and (4) We can establish an "Energy Conservation Award" for employees who flag opportunities for success.

Potentials of Energy Savings Performance Contracting

Councilman Mumpower said that the following is Information on ESPC (Energy Savings Performance Contracting): (1) Guaranteed Energy Savings Performance Contracting (ESPC) is an innovative method for purchasing energy-saving improvements in buildings. Many State agencies face increasing energy costs and the need to replace worn-out equipment, but lack the funds to make building improvements. Energy performance contracting has four distinguishing features that address this and other common problems: (a) A *single procurement* is used to purchase a complete package of services in which one contractor is accountable for design, purchase, installation, maintenance, and operation of the equipment to ensure optimum performance; (b) The package of services includes financing of all the project costs, so *no up-front money is needed*; (c) An energy performance contract is structured so that payments to the performance contractor are contingent on the actual level of savings achieved (or energy produced). The savings produced by the project are greater than its cost; thus, a performance contract pays for itself. Since payments to the contractor are contingent on the savings achieved, it is in the contractor's interest to maximize the energy savings. This translates into increased dollar savings for State agencies. In other words, the program is supported by *utility bill savings which are used to pay for the improvements*; and (d) All utility savings are *guaranteed* by the performance contractor; (2) NC

General Statute G.S. 143-64.17b encourages any public agency, municipality, county, state college or university and school districts to improve energy efficiency and technology infrastructure through a guaranteed Energy Savings Performance Contract; (3) Benefits include: (a) Replace aging equipment with new equipment; (b) Access to 3rd party financing for needed capital energy improvements; (c) Improved facility energy efficiency and reduced energy costs; (d) Reliable and persistent long-term energy saving project performance; (e) Enhanced local economies through the ESCO's use of local subcontractors; (f) Decreased equipment repairs and lower maintenance costs; (g) Freed-up budget dollars to fund other activities; and (h) Reduced Greenhouse Gas (GHG) Emissions; and (4) Increasing use in Southeast; UNC-Asheville, City of Knoxville, Mecklenburg County.

Models include (1) The Federal Government has noted from audits that they waste dramatic revenue through poor energy management in a majority of Federal facilities. They are in the process of addressing this issue; and (2) Additional models and information for consideration can be found at the several sites.

Councilman Mumpower moved to instruct City staff to explore in greater detail the near and long term potential for energy savings performance contracting for reducing energy costs for city buildings, equipment and other aspects of local government. This motion was seconded by Councilman Russell.

City Manager Jackson said that this is covered in the Sustainability Management Plan and we have considerable experience with energy audits for our buildings.

Councilman Mumpower said that two instances have been brought to his attention that the City is not as intentional about this as we could be, nor are we moving on a timely basis.

Councilman Newman said that we have established a citizens committee of Sustainable Advisory Committee on Energy & the Environment (SACEE) and have dedicated very talented staff to these specific goals. The idea of using a company to work with us on our organizational goals to reduce energy use is not an original idea. There are some advantages for that approach and some disadvantages. If you believe you have good people in-house to do these things, then oftentimes it makes sense to do them yourself than letting another company capture that economic value. He encouraged Councilman Mumpower to take these ideas to SACEE and talk to them because many of these things are already underway.

When Councilman Russell withdrew his second, Councilman Mumpower's motion died for lack of a second.

B. EVALUATION OF MONTFORD COMMONS GAP FINANCING REQUEST

Chief Financial Officer Ben Durant said that this is the consideration of policy direction for a proposed Montford Commons Public/Private Partnership.

In September 2007, City Council adopted a Conceptual Master Plan for the Montford Commons Urban Village. City Council approved an amendment to the plan in June of 2009 which increased the plan's development density and changed the proposed mix of uses by increasing the plan's residential space and decreasing the commercial space.

The \$60.6 million development project, located near the historic Montford neighborhood, will be built out in three phases and will combine multi-family and single-family housing, commercial business, and traffic and pedestrian improvements. A key aspect of this project is its potential for addressing urban blight.

Proposed Partnership

Frontier Syndicate, the developer of this project, has subsequently requested establishment of a public/private partnership with the City that would involve public financing of approximately \$9 million of public infrastructure improvements through Project Development Financing (or project development financing, based on North Carolina General Statute nomenclature). A public investment of \$9 million will bring the total value of the project to approximately \$70 million. Frontier Syndicate's request for a partnership is based on the assumption that the additional property taxes and public purpose benefits generated by the project will offset the cost of any city and county public investment.

Policy Questions

Frontier Syndicates' proposed public-private partnership involves two policy questions:

1. *Should staff proceed with exploring a public-private partnership that uses Project Development Financing to support the public infrastructure improvements?*

It is staff's recommendation not to pursue Project Development Financing (also known as Tax Increment Financing) as a means of supporting the public infrastructure improvements associated with the Montford Commons project. Based on preliminary analysis, this project does not appear to be suitable for Project Development Financing (PDF). Discussions with underwriters, as well as the Local Government Commission reveal that there is currently no market for PDF's at a reasonable interest rate. Additionally, staff believes the level of complexity and cost of issuance expenses associated with PDF's cannot be justified based on the size and scope of the requested public investment. Further, based on information we have received to date from Frontier Syndicate, the estimated city and county property tax revenue (\$575,000) that will be produced by the development is insufficient to cover the projected debt service costs (\$900k) associated with a PDF for \$9 million in public infrastructure improvements.

2. *Does the Montford Commons Urban Village project have sufficient merits to justify further due diligence and negotiations with the developer regarding the exploration of a public private partnership and other means of support?*

Staff believes that the answer to this question is yes and that it has been previously answered through the normal planning and zoning process. The Montford Commons project appears to be consistent with the City's 2025 Plan, Smart Growth Policies, Strategic Operating plan and other official plans of the City, offering the following merits:

- The project encourages infill redevelopment.
- The Urban Village projects proposes a mixture of housing types and an efficient use of land through their promotion of density;
- The project provides a walkable community within the development, into the adjacent neighborhood and to downtown;
- The project is located on an existing bus line which supports and encourages alternative transportation options and preserves the capacity of area roadways

Though this project does not appear to be suitable for PDF, there may be other financing mechanisms by which the City and County can provide financial support for the related public infrastructure improvements. This support would have to be provided at a level that is affordable and makes economic sense for the size and scope of the project. In order to determine what level of public financial support, if any, should be provided, staff recommends that additional due diligence is provided. Specifically, Frontier Associates should produce a financial feasibility analysis of their project at the developer's expense, using an independent financial advisor to be selected by the City and County.

The central question in the financial feasibility analysis is "what is the true financial gap associated with this project, and is the request for public financial support reasonable based on anticipated costs, revenues, acceptable rates of return for the developer, and the projected value of the public purpose benefits". Such an analysis would be similar to processes we've used with other major development projects in which public financial investment was requested.

On September 29, 2009, the Finance Committee reviewed this report and recommended forwarding it to City Council for full review and consideration.

There is no financial impact to the City and County. The cost of the financial feasibility analysis will be borne by Frontier Syndicate.

City staff recommends proceeding with a financial feasibility analysis, the results of which will be presented to City Council for further policy consideration.

Councilman Russell, Chair of the Finance Committee, supported this action and approved it moving onto the full Council for consideration.

A representative of Frontier Associates explained how their project has become fairly complex from a financial standpoint. He said they need the money for the infrastructure piece (roads, waterline, sewer lines, etc.), noting that the project will not succeed without City or County assistance.

Rev. Christopher Chiaromonte spoke in support of the study since the developer will be paying for it.

Mr. Durant responded to Councilman Mumpower in that the City has not done any Product Development Financing and explained the public/private partnership with Biltmore Park. With this project, after the analysis is done staff will review it and then look at what options might be available.

Councilman Mumpower felt the City should not be giving anyone special deals, but if we are giving special deals to some people we should give consideration to others.

In response to Mayor Bellamy, Mr. Durant said that the analysis will determine the gap and then staff will make a recommendation as to whether it's reasonable for the City to offer some kind of options.

In response to Mayor Bellamy, Mr. Durant said that the Local Government Commission (LGC) will require a lot more information than what we are attempting to provide in this first phase of analysis. The first phase of the analysis is broadly looking at the pro formas and determining the gap. But if we decide to move forward with a development agreement and do Product Development Financing, there is a lot more information the LGC would require before they would approve a project of this type. The analysis would be a lot more complex and rigorous at that point. Part of the LGC's responsibility would be help us minimize our risk and there would be provisions in any type of agreement that would help us minimize that risk and give us assurances that the tax value that is projected would actually come to fruition.

Mayor Bellamy noted that the City and others will be looking at this issue on a regular basis, as the LGC has experience with projects across the state.

Councilman Russell moved to produce a financial feasibility analysis of Montford Commons project, at the developer's expense, using an independent financial advisor to be selected by the City and County. This motion was seconded by Councilman Miller and carried unanimously.

C. MAYOR UPDATE ON N.C. METROPOLITAN MAYORS COALITION

Mayor Bellamy briefly updated Council on some of the activities of the N.C. Metropolitan Mayors Coalition. They recently had a conference which addressed the issues of transportation needs in North Carolina and solutions to urban crime. They will be additional follow-up and she will keep Council updated.

Mayor Bellamy also noted that she is serving on the September 23-24, 2010, Fall Retreat of the N.C. Metropolitan Mayors Coalition Planning Committee. The Coalition has asked for a point of contact from City staff. It was the consensus of Council to have a representative of the City Manager's Office serve on the Planning Committee with Mayor Bellamy to assist in necessary tasks associated with this retreat.

D. APPOINTMENT OF A MEMBER TO THE TOURISM DEVELOPMENT AUTHORITY

Vice-Mayor Davis said that the term of Herman Turk (owner or operator of a hotel, motel or other taxable tourist accommodation with more than 100 rental units) expired on August 30, 2009.

On September 8, 2009, it was the consensus of Council to interview Bob Patel. That interview occurred on October 13, 2009.

It was the consensus of Council to instruct the City Clerk to prepare the proper paperwork to appoint Mr. Bob Patel as a member of the Buncombe County Tourism Development Authority (representing the owner or operator of a hotel, motel or other taxable tourist accommodation with more than 100 rental units) to serve a three-year term, term to expire August 30, 2012, or until his successor has been appointed. The formal action will be placed on the October 27, 2009, agenda.

E. APPOINTMENT OF A MEMBER TO THE URTV INC. BOARD OF DIRECTORS

Vice-Mayor Davis said that the term of Sandra Bradbury, as a member of the URTV Inc. Board of Directors, expired on June 30, 2009.

On September 8, 2009, it was the consensus of Council to interview Stephanie Weil. That interview occurred on October 13, 2009.

It was the consensus of Council to instruct the City Clerk to prepare the proper paperwork to appoint Ms. Stephanie Weil as a member of the URTV Inc. Board of Directors to serve a two-year term, term to expire June 30, 2011, or until her successor has been appointed. The formal action will be placed on the October 27, 2009, agenda.

F. BOARDS & COMMISSIONS

It was the consensus of Council to interview the following people for a vacancy on the Asheville-Buncombe Historic Resources Commission: Susan Eggerton, Susan West and John King Dean.

It was the consensus of Council postpone interviews for the vacancy on the Recreation Board until it was determined if there is a recommendation from the Board.

It was the consensus of Council to interview the following people for a vacancy on the Sustainable Advisory Committee on Energy & the Environment: Duncan McPherson, David Brown and Claude Chandler.

It was the consensus of Council to interview the following people for a vacancy on the Tree Commission: Josh O'Conner, Kathleen Zeren and Amy Kemp.

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Mr. Alan Ditmore urged Council to consider domestic partner benefits.

Rev. Christopher Chiaromonte asked for clarification if people are prohibited from sitting on sidewalks. He also expressed his disappointment in prohibiting smoking on public property when people in downtown Asheville must breath the fumes from cars, buses, motorcycles, etc. Mayor Bellamy asked that Rev. Chiaromonte work with the City Manager Jackson regarding his concerns.

The following claims were received by the City of Asheville during the period of September 1-24, 2009: Paul E. Vliek (Police), Robert Earwood (Water), Christopher Wallin (Police), Jeffrey Harwood (Water), Progress Energy (Water), Diana Harmon (Police), Diana Harmon (Police), AT&T (Water), Charter Communications (Water), Davon Embler (Water), Christie Abeling (Water), Mary D. McQuaide (Streets), AT&T (Water) and AT&T (Water). These claims have been referred to Asheville Claims Corporation for investigation.

The following claims were received by the City of Asheville during the period of September 25 – October 8, 2009: Brandon G. Wienkle (Fire), David Masrie (Parks & Recreation), Mike Budd (Water), Guy Caserta (Water), Kathy Watson (Streets), Kathleen Eiselt (Water) and Randy Rogers (Streets). These claims have been referred to Asheville Claims Corporation for investigation.

The City has received a Petition on September 28, 2009, from Quality Properties, L.P. vs. the Board of Adjustment of the City of Asheville. This lawsuit involves the Board of Adjustment denying a sign permit to change the sign panels on a billboard sign. This will be handled in-house.

VIII. ADJOURNMENT:

Mayor Bellamy adjourned the meeting at 8:19 p.m.

CITY CLERK

MAYOR