

Tuesday – August 10, 2010 - 5:00 p.m.

Regular Meeting

Present: Mayor Terry M. Bellamy, Presiding; Vice-Mayor Brownie W. Newman; Councilman Cecil Bothwell; Councilman Jan B. Davis (excused at 8:03 p.m.); Councilman William A. Russell Jr.; Councilman Gordon D. Smith; City Manager Gary W. Jackson; City Attorney Robert W. Oast Jr.; and City Clerk Magdalen Burleson

Absent: Councilwoman Esther E. Manheimer

**PLEDGE OF ALLEGIANCE**

Mayor Bellamy led City Council in the Pledge of Allegiance.

**INVOCATION**

Councilman Bothwell gave the invocation.

**I. PROCLAMATIONS:**

**A. DONATION OF MEMORIAL WREATH BY WALTER PLAUE**

Mayor Bellamy said that the City of Asheville is pleased to accept the gift of the Memorial Wreath from Mr. Walter Plaue. She thanked Mr. Plaue for his leadership, especially regarding veterans. She said this wonderful donation will be used for every patriotic holiday. Mr. Plaue said that this is a token from the Western North Carolina Veterans Memorial Board of Directors, in conjunction with Michael's craft store. He hoped the wreath would not just be used at the Veterans' Memorial, but at other places where there are patriotic ceremonies.

Parks & Recreation Director Roderick Simmons also thanked Mr. Plaue for the beautiful wreath and for Mr. Plaue's efforts in bringing light to the veterans.

**B. EMPLOYEE RECOGNITIONS**

City Manager Jackson recognized (1) Fire Division Chief Mike Clark who has successfully completed the process that awards him the professional designation of "Chief Fire Officer" (CFO), one of only 680 CFO's worldwide; and (2) James Lee, Minority Business Program Coordinator, who was awarded, through a competitive application process, the North Carolina Economic Developers Association Scholarship to attend the N.C. Economic Development Institute held annually at UNC-Chapel Hill.

On behalf of City Council, Mayor Bellamy thanked the employees on what they do on behalf of the City of Asheville and City Council. She was proud of City staff and looked forward to highlighting more accomplishments.

**II. CONSENT AGENDA:**

Mayor Bellamy asked that an item be added to the Consent Agenda regarding a Federal Aviation Administration grant offer to the Airport.

Mayor Bellamy said that Consent Agenda Item "I" will be removed from consideration to be rescheduled at a later date.

- A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON JULY 27, 2010**
- B. RESOLUTION NO. 10-171 - RESOLUTION IN SUPPORT OF THE CITY OF ASHEVILLE SUBMITTING AN APPLICATION FOR THE HUD SUSTAINABLE COMMUNITY CHALLENGE PLANNING GRANT**

Summary: The consideration of a resolution in support of the City of Asheville submitting an application for the HUD Sustainable Community Challenge Planning Grant in the amount of \$3 million.

HUD's *Sustainable Community Challenge Planning Grants* are available for local efforts to prepare for housing and economic developments that are connected to transportation projects. HUD funds of \$40 million have been combined with DOT funds of \$35 million to create a \$75 million pool. Only government entities are eligible to apply. The maximum amount available per grant is \$3 million. The grant requires that the Six Livability Principles adopted by HUD, DOT and EPA in the Partnership for Sustainable Communities be at the core of proposed activities.

The Housing and Community Development Committee recommends that Asheville seek \$3 million to create a model for sustainable development in Asheville's East Riverside area. The proposed target area is roughly bounded by the French Broad River to the west, Patton Avenue (but including Hillcrest) to the north, the CBD and McDowell Street to the east and the Swannanoa River to the south. In summary, the proposed project outcomes are to complete pre-development activities that will lead to an increase in the supply and diversity of housing in that area, new economic opportunities and job creation along the riverfront, and an improved system of transportation that will connect residents of the area to jobs, training and services, and connect the city to the River. The goal is to advance projects to the point of being "shovel ready."

Specific activities proposed include:

- Create the regulatory environment for sustainable development by integrating existing master plans and revising ordinances and other codes to provide incentives for sustainability; and to create "form-based" zoning for the area;
- Conduct assessments of infrastructure, connectivity, vacant land and buildings, and general physical conditions in the east Riverside area to determine development capacity in that area;
- Complete pre-development surveys, engineering analyses, and other implementation readiness activities to enable construction of Town Branch and Clingman Forest greenways as soon as implementation funds are available; and to prepare for roadway and other improvements in that area;
- Complete pre-development surveys, engineering analyses, preliminary design, and other implementation readiness activities for City and other publicly-owned land in the east Riverside area;
- Assess public transit needs, potential ridership and other public transit factors to establish multi-modal and public-transit capital and operational plans specific to the east Riverside area;
- Assess the energy use in the area, and prepare for a multi-sectoral approach to reduce the use of non-renewable fuels and reduce the area's "carbon footprint;"

- Provide new capital to the City's Housing Trust Fund, to loan for land purchases for affordable housing development in the City's east Riverside area;
- Involve the community, especially residents, property owners and businesses operators in the east Riverside area, in determining the direction of development there;
- Support a broadly representative and effective partnership to perform the work under the grant, including City departments, non-profit organizations, the Riverfront Redevelopment Commission, Housing Authority and others

Pros:

- This grant could provide much needed funding to advance existing City plans. Often the most difficult funding to obtain is for the pre-development stage, to bring projects to the point of implementation;
- The practical partnership being formed will lead to projects that are comprehensive and coordinated;
- Targeting the east Riverside area will lead to "transformational investment" that will create new opportunities for people already living there, as well as incentivize new housing and economic development that will spur the sustainable reuse of existing property, including property now owned by the City;
- This grant will enhance the recommendations in the Wilma Dykeman Plan, and create opportunities for funding for implementation of the plan;
- The opportunity to fund the acquisition of land for future affordable housing development will enhance the ability of our partners to plan development that will be accessible to jobs, training and services, and for the City to plan for the efficient use of its resources to support that development.

Cons:

- There is a danger that unless grant-funded activities are carefully managed so that the planned implementation is feasible and allowable, plans will "sit on shelves."
- Although the nature of this grant lends itself to a targeted focus, targeting one area of the City may cause concern that other City areas are not being treated fairly;
- New resources can create expectations of immediate future funding; although HUD and other agencies have implied that this funding will be available, it will depend on the federal (and state and local) budget processes and constraints;
- New development brings inherent conflicts between competing interests. The success of any planning activity will be the ability to create win-win relationships.

This opportunity will support the following goals and objectives of Council's Strategic

Plan:

- Affordable: this project will
  - Help create and preserve affordable housing by creating UDO and other code reforms to encourage and align affordable housing with access to transit;
  - Explore opportunities for public/private partnerships and innovative financing for affordable housing;
  - Provide new funding for the Housing Trust Fund;
- Fiscal Responsibility: This project will explore alternatives for master plan implementation and position the City to proactively seek funding opportunities for infrastructure maintenance and capital improvements;
- Green, Sustainable: This project will bring closer to reality the implementation of a multi-modal transportation plan in a strategic area of the City;
- Job Growth and Community development: This project will
  - Expand partnerships in economic development around common goals of sustainable economic development;

- Promote sustainable, high-density infill growth that makes efficient use of existing resources.
- Support the riverfront development partnership.

The City must provide evidence of commitment of 20% non-federal matching funds for specific transportation activities. Staff time and in-kind services will meet this match requirement. The non-transportation community development activities require evidence of at least 20% leverage, which can include federal, state, local and private funds committed to the purposes of the grant activities. No new funding is requested from the City to meet these match and leveraging requirements.

Because no new funding is requested from the City, and existing City staff are preparing the application, there is no immediate fiscal impact. If awarded, the City will assess the benefit and impact of accepting funding. By getting the proposed "pre-construction" steps done now, we will be better positioned to leverage future state and federal funding.

The Housing and Community Development Committee recommends that the City of Asheville apply for \$3 million in funding from the HUD Sustainable Community Challenge Planning Grant program, for the outcomes described above.

In response to Mayor Bellamy, Community Development Director Jeff Staudinger briefly summarized the specific activities outlined above that are proposed to be included in the grant.

When Mayor Bellamy asked if there will be any benefits to the Hillcrest community in these efforts, Mr. Staudinger said that they are engaging the Housing Authority in this conversation. There are five public housing communities within or contiguous to this target area and we would be looking specifically at those communities and how they work into the opportunities for HOPE 6 or Choice Neighborhood funding and for other ways to improve the conditions for people living there.

#### **RESOLUTION BOOK NO. 33 – PAGE 164**

#### **C. RESOLUTION NO. 10-172 - RESOLUTION IN SUPPORT OF THE CITY OF ASHEVILLE JOINING AS A CO-APPLICANT FOR A HUD SUSTAINABLE COMMUNITY REGIONAL PLANNING GRANT**

Summary: The consideration of a resolution in support of the City of Asheville joining as a co-applicant (Consortium Partner) for a HUD Sustainable Community Regional Planning Grant in the amount of \$2 million.

HUD *Sustainable Community Regional Planning Grants* are available for consortium of regional partners to create or improve a Regional Sustainable Development Plan. Consortia within metropolitan statistical areas (MSA's) or another defined region must include the largest city of the MSA, the next largest local government, the Metropolitan Planning Organization (MP) and at least one non-profit organization. For regions of Asheville's size the maximum grant is \$2 million, and the minimum is \$200,000.

Asheville will join with Buncombe County, UNC-Asheville/RENCI, Community Foundation of Western North Carolina and others as a necessary and required co-applicant of a regional consortium, with Land of Sky Regional Council as the lead applicant, to apply for \$2 million of Regional Planning Grant funding.

Using the grant, the partners will unify elements of existing plans into a Regional Sustainable Development Plan with specific "Actionable Implementation Strategies," to be used to guide sustainable development within a five-county region, to include Buncombe, Henderson, Haywood, Madison and Transylvania Counties. The Plan builds upon the region's many local and

regional quality plans and the Western North Carolina Livable Community Vision, adopted by the Land of Sky Board in April of this year.

The proposed outcomes include:

- To forecast and model growth scenarios in development for 20 years, and to determine the integrated needs for affordable housing, transportation, job creation, energy, natural resource utilization and protection over that time period;
- To develop regional agreement about how the region will grow in a sustainable way;
- To establish regional priorities and criteria to guide development;
- To develop specific benchmarks to evaluate the region's progress towards sustainability;
- To engage as many stakeholders as possible in the development on this plan, including engaging and involving the general public and typically underrepresented or affected populations.

The Consortium will build this Actionable Implementation Strategy from the existing plans and work, and seek not to duplicate prior planning, so that the document and tools created support specific actions on the part of member governments, non-profit organizations and the private sector.

Consortia showing a threshold level of commitment in their application will receive a "Preferred Sustainability Status", whether their proposals are funded or not. HUD suggests that this designation will make these communities eligible for special funding in the future. Staff believes that future federal funding, led by HUD, EPA and DOT, will be contingent on developing sustainability plans.

Evidence of at least 20% in leveraged funds is required. This can include federal, state, local and private funds committed to the purposes of the grant activities and relevant and related activities. No new funding is requested from the City to meet these match and leveraging requirements. The grant application deadline is August 23.

Pros:

- Sustainable development could lead to growth that will support the City of Asheville and other partners in creating and preserving jobs, building affordable housing strategically located to transportation resources and job centers, and wisely using and protecting natural resources;
- Reaching a regional agreement about the definition and methods for sustainable development could lead to creative collaborations among local and regional entities;
- Federal "Preferred Sustainability Status" should benefit the region in obtaining future funding for development projects;
- Asheville will enhance its reputation as a sustainable community, and increase its attractiveness to businesses that will create new "green" job opportunities.

Cons:

- A new planning program could be perceived as duplicative of existing planning efforts and unnecessary;
- If governments and other organizations and communities of the region cannot agree about goals, objectives, definitions and benchmarks, regional consensus can be difficult to realize over time.

This opportunity will support the following goals and objectives of Council's Strategic Plan: (1) Affordable: this project will help create and preserve affordable housing by creating regulatory reforms and regional incentives to encourage and align affordable housing with transit; (2) Fiscal Responsibility: This project will align existing local and regional plans and position the City to proactively seek funding opportunities for infrastructure maintenance and capital

improvements as a “Sustainable Community;” (3) Green, Sustainable: This project will bring closer to reality the implementation of a multi-modal transportation plan for the region; and (4) Job Growth and Community Development: This project will (a) Expand partnerships in economic development around common goals of sustainable economic development; and (b) Promote sustainable, high-density infill growth that makes efficient use of existing resources.

The grant application requires evidence of at least 20% leverage, which can include federal, state, local and private funds committed to the purposes of the grant activities. No new funding is requested from the City to meet these match and leveraging requirements.

Because no new funding is requested from the City, and existing City staff are assisting in preparing the application (Land of Sky COG is doing the majority of the work), there is no immediate fiscal impact. If awarded, the City will assess the benefit and impact of accepting funding.

The Housing and Community Development Committee recommends that the City of Asheville join as a co-applicant for \$2 million in funding from the HUD Sustainable Community Regional Planning Grant program, for the outcomes described above.

In response to Mayor Bellamy, Community Development Director Jeff Staudinger said that Buncombe County is also making an application. Staff is supportive of other applications as they are complimentary, not competing and not conflicting. We have been advised by HUD that the more applications from municipalities and governmental entities in this area, the more they are convinced we are ready to move towards these sustainable community activities.

#### **RESOLUTION BOOK NO. 33 – PAGE 166**

#### **D. RESOLUTION NO. 10-173 - RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A LICENSE AGREEMENT WITH SUNCOM WIRELESS PROPERTY COMPANY, LLC, FOR ANTENNAS AND RELATED EQUIPMENT ON CITY-OWNED PROPERTY AT 300 MERRIMON AVENUE**

Summary: The consideration of a resolution authorizing the Mayor to execute a License Agreement with Suncom Wireless Property Company, LLC for antennas at 300 Merrimon Avenue, Asheville North Carolina.

The property located at 300 Merrimon Avenue is used primarily by the Asheville Fire Department, as the headquarters for the Asheville-Buncombe Arson Task Force. In 2001, the Asheville City Council authorized Triton PCS Wireless to install a concealed telecommunications tower and a concrete equipment shelter at this property. This tower is disguised as a flagpole and located on the rooftop of the fire training tower. For the past several years, Triton PCS and its subsequent designees have operated antennas and equipment at this site. The current license agreement between Triton PCS and the City of Asheville is now held by Suncom Wireless Property Company, LLC, and is to expire in January 2011. As such, Suncom has offered to enter into a new license agreement upon expiration based on the following:

- (1) Term of five years, with a five year renewal.
- (2) Annual license fee at an initial rate of \$23,000 per year with 3% annual increases

The proposed License Agreement will enable Suncom to operate 3 panel antennas and 3 tower-mounted amplifiers, with 12 coaxial lines connecting to ground equipment. These facilities are separately metered and the tenant will continue to pay for the utility services. A tower analysis, to be paid for by Suncom, is required to assure that the roof is structurally capable of handling the load.

The initial rate was determined by gathering and comparing rates used by other municipalities across the state, including the Cary, Hickory, Charlotte and others. Formal findings were reviewed and endorsed by the Council's Planning and Economic Development Committee on August 20, 2008. Results indicate that base fee of \$30,000 per annum represents fair market value for vertical stand-alone towers. For equipment located on top of buildings, as seen in this instance, a small decrease in the fair market rate is commonplace.

The Notice of Intent to enter into a License Agreement with Suncom was published on July 30, 2010, in the Asheville Citizen-Times. Ten days have passed since the publication and authorization to execute the License Agreement is being requested.

This action complies with the City Council Strategic Operating Plan by contributing to fiscal responsibility. Strategic tower asset management, through the renewal and creation of new license agreements, presents the City with revenue enhancements to the General Fund.

Pro:

- Enhanced revenue through the license fee income

Con:

- None

In the initial year of the lease, FY 2010-2011, Asheville will receive \$23,000 in revenue in the General Fund if the lease is approved by City Council. During the next four subsequent years, the lease rate will increase by 3 percent annually. Over the life of the five year lease, the city will realize more than \$122,000 in revenue.

City staff recommends City Council adopt a resolution authorizing the Mayor to execute the license agreement with Suncom Wireless Property Company, LLC on behalf of the City of Asheville.

City Manager Jackson responded to concerns raised by Mr. Douglas McDowell regarding this lease, noting that this is a continuation of a lease of equipment located on top of a building and the rate is comparable to other municipalities.

#### **RESOLUTION BOOK NO. 33 – PAGE 168**

#### **E. RESOLUTION NO. 10-174 - RESOLUTION AUTHORIZING THE CITY TO APPLY FOR THE FEDERAL FISCAL YEAR 2007-08 AND FEDERAL FISCAL YEAR 2008-09 FEDERAL TRANSIT ADMINISTRATION ALLOCATIONS TO BE USED FOR THE PURCHASE OF TWO DIESEL BUSES AND TWO LOW FLOOR HYBRID DIESEL-ELECTRIC BUSES**

Summary: The consideration of a resolution authorizing City staff to apply for the FFY 2007-08 and FFY 2008-09 Federal Transit Administration (FTA) allocations in the amount of \$1,068,000 and \$237,500 respectively to be used towards the purchase of two diesel buses and two low floor hybrid diesel-electric buses and for the Mayor to execute the appropriate documents to accept the grant.

The N.C. Dept. of Transportation (NCDOT) awarded the City of Asheville a FFY 2007-08 Federal Transit Administration allocation in the amount of \$1,068,000 to purchase two diesel buses and to match previous earmarks that were awarded to the City through Congressman Shuler's office (\$531,500) for the purchase of two hybrid diesel-electric buses. The City has already accepted \$294,000 of the \$531,500 in earmarks from Congressman Shuler's office, and now action is required to accept the remaining \$237,500 as well as the \$1,068,000 FTA allocation.

In total, the City will then have available \$1,599,500 in federal funds toward the purchase of the four buses. The total cost of the four buses is approximately \$1,999,375, so the federal funds will cover 80% of the cost. City funds will provide 10% of the cost, which equals \$199,938, and City staff will request that the NCDOT provide the additional 10% of the required match. The City funding is already included in the Transit Capital Fund. Due to end of the fiscal year timing issues and the fact that the FFY 2007-08 funds are lapsing on September 30, 2010, staff moved forward and applied for the subject allocations which were approved by the NCDOT Board of Transportation meeting on July 1, 2010.

This action complies with the current City Council's Strategic Operating Plan by helping to achieve short-term and long-term energy goals and reducing city carbon emissions, helping to establish a multi-modal transportation plan by making transit system improvements, and helping to fully leverage funding for transportation improvements. This action also complies with the capital improvement recommendations included in the Transit Master Plan that was accepted by the City Council on October 27, 2009.

The Transit Commission supports the subject action.

Pros:

- The subject allocations would enable the City to continue replacing its aged transit system fleet which would produce savings in maintenance and fuel costs.
- The subject action would help reduce the City's carbon emissions.
- The FTA would fund 80% of the subject project cost.
- The NCDOT would fund 10% of the subject project cost.
- The City of Asheville's local match has been identified and would not require any additional allocation of funds.

Con:

- The City is required to fund 10% (\$199,938) of the subject project cost.

The total cost of the subject project is about \$1,999,375. The City has already been awarded \$531,500 for two hybrid diesel-electric buses from Congressman Shuler's office. Federal Funds will provide 80% of the project cost, State Funds will provide 10% of the project cost, and City Funds will provide 10% of the project cost. The City's cost, which equals \$199,938, is already included in the Transit Capital Fund.

City staff recommends City Council adopt a resolution authorizing City staff to apply for the FFY 2007-08 and FFY 2008-09 Federal Transit Administration allocations in the amount of \$1,068,000 and \$237,500 respectively to be used towards the purchase of two diesel buses and two low floor hybrid diesel-electric buses and for the Mayor to execute the appropriate documents to accept the grant.

**RESOLUTION BOOK NO. 33 – PAGE 169**

**F. RESOLUTION NO. 10-175 - RESOLUTION AUTHORIZING THE MAYOR TO SIGN A GROUND LEASE AMENDMENT AGREEMENT WITH THE SKYLAND VOLUNTEER FIRE DEPARTMENT INC. FOR THE SOUTH ASHEVILLE POLICE SUBSTATION AT 9 MILLER ROAD SOUTH**

Summary: The consideration of a ground lease amendment agreement, in the amount of \$5,000 per year, between the Asheville Police Department and the Skyland Volunteer Fire Department, for office space at 9 Miller Road.

The Asheville Police Department has occupied office space on property owned by the Skyland Volunteer Fire Department since 1997. The ground lease amendment agreement has



expired and staff has negotiated a five year extension of this ground lease with the Skyland Volunteer Fire Department. City of Asheville Real Estate Manager Nikki Reid has conducted a detailed market analysis on the 2,000 square feet of office space and parking area and has determined its value to be \$5,000 annually. The Skyland Volunteer Fire Department Board of Directors will meet at their regularly scheduled meeting in September to approve this ground lease. All documents are subject to approval of the City Attorney's Office to ensure adherence to Council's direction.

This action complies with the City Council Strategic Operating Plan goal to make Asheville the safest City in America based on approved metrics for similarly sized cities.

Pro:

- This action allows for the Asheville Police Department to continue operating its South Asheville Police Station with the most efficient use of tax dollars.

Con:

- None identified

Funding for this ground lease amendment will come from the Asheville Police Department's operating budget. The funds have already been budgeted within Council's Fiscal Year 2010/2011 adopted budget.

City staff recommends City Council approve the ground lease amendment agreement between the Asheville Police Department and the Skyland Volunteer Fire Department.

#### **RESOLUTION BOOK NO. 33 – PAGE 170**

#### **G. MOTION TO EXTEND THE SERVICE HOURS FOR THE PUBLIC RESTROOMS THAT ARE LOCATED IN THE HALLWAY BETWEEN THE RANKIN STREET PARKING GARAGE AND HAYWOOD STREET TO 10:00 P.M. MONDAYS THROUGH SATURDAYS**

Summary: The consideration of a motion authorizing City staff to extend the service hours for the public restrooms that are located in the hallway between the Rankin Street Parking Garage and Haywood Street to 10:00 pm Mondays through Saturdays.

During the Fall 2007, the City of Asheville opened public restrooms in the hallway between the Rankin Street Parking Garage and Haywood Street and they are available for use from 7:00 am until 6:00 pm Mondays through Saturdays. Currently, the Parking Services Division of the Transportation Department is tasked with the responsibility of cleaning and maintaining the restrooms.

Two full-time employees working four 10-hour shifts (Monday through Thursday and Wednesday through Saturday) clean and maintain the public restrooms. They also provide a presence to discourage possible vandalism. During the two overlap days, these employees also clean the City's three parking garages, which enabled us to cancel a \$16,000 per year cleaning contract with an outside vendor. We typically budget about \$60,000 per year to accomplish the task of cleaning and maintaining the restrooms.

The Parking Services Division currently has contracts with March Staffing and Asheville Staffing, two local companies, to provide temporary employees on an as-needed basis. Based on these contracts, the total cost to extend the service hours for seven months during the current fiscal year equals \$9,828. The subject cost was calculated as follows:

- 4 hours per day times 6 days per week = 24 hours per week
- 24 hours per week times 52 weeks per year = 1,248 hours per year

- 1,248 hours per year times \$13.50 per hour = \$16,848 (yearly cost)
- \$16,848 times 7/12 = \$9,828 (cost for seven months)

Extending the service hours to 10:00 pm Mondays through Saturdays is possible and if approved, City staff recommends the following conditions:

- Use temporary employment services during the first year of operation to provide flexibility as it might be difficult to find people willing to work the subject hours (24 hours per week).
- Maintain the extended hours from September 1, 2010 through December 31, 2010 and from April 1, 2011 through June 30, 2011 (a total of seven months during the current fiscal year). City staff anticipates that usage for the extended service hours would be low during the winter months of January, February, and March.
- Collect customer usage data during the extended hours and share that information with the City Council during January 2011.

The Planning and Economic Development Committee approved the subject action on July 20, 2010, and recommended that it move forward to City Council.

Pro:

- The public restrooms would be open and available for use for a longer period of time Mondays through Saturdays.

Con:

- The total estimated annual cost equals \$9,828.

The total estimated annual cost for this program is about \$9,828. The cost of this program was not contemplated in the Parking Services Fund's FY 2010-11 budget. However, City staff believes that the cost of this service expansion can be absorbed within the existing Parking Services Fund budget, and is therefore not requesting a budget amendment at this time. City staff will monitor the impact of this program on the Parking Fund budget and report back to Council at a future Quarterly Financial Update if a budget amendment becomes necessary.

City staff recommends City Council approve a motion authorizing City staff to extend the service hours for the public restrooms that are located in the hallway between the Rankin Street Parking Garage and Haywood Street to 10:00 pm Mondays through Saturdays per the conditions set forth in the staff report.

#### **H. RESOLUTION NO. 10-176 - RESOLUTION AUTHORIZING THE CITY OF ASHEVILLE TO PURCHASE DIGITAL ALLY IN-CAMERA SYSTEMS BASED ON STANDARDIZATION NEEDS**

Summary: The consideration of a resolution authorizing the Asheville Police Department to purchase Digital Ally in car camera systems based on standardization needs.

The Asheville Police Department (APD) currently has 16 Digital Ally DVM 550 plus In Car Camera systems installed. The APD has grant funds available to purchase additional wireless download camera systems through JAG 2007 (purchase request modified to cameras with remaining funds \$49,554); JAG 2009 (\$64,516), and JAG 2010 (\$64,389) is pending approval. In order to maintain consistency with the operation of the camera systems; both in car and back end software management, it is necessary to maintain one product. The in car operation is an officer safety issue that requires consistent functionality among all cars equipped with cameras. This standardization will enable officers to utilize any cruiser equipped with a camera without any additional training on various camera systems.

This action complies with City Council's Strategic Operating Plan in the Focus Area - Safe - Asheville will be one of the safest and most secure communities when compared to similar cities.

Pros:

- Standardizing In-Car video systems will allow for consistent equipment operation and documentation of incidents.
- Increases officer and citizen accountability through recorded interactions.

Con:

- None.

The Standardization of Equipment will have not fiscal impact beyond what was requested with the original JAG grant authorizations. There will be maintenance and replacement costs for the equipment, which will need to be included in future fiscal year budgets.

City staff recommends City Council adopt resolution authorizing the Asheville Police Department to purchase Digital Ally in camera systems based on standardization needs with funding from JAG 2007(\$49,554), JAG 2009 (\$64,516), and JAG 2010 (\$64,389) pending approval of the grant.

#### **RESOLUTION BOOK NO. 33 – PAGE 171**

#### **I. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH WASTE MANAGEMENT CAROLINAS INC. TO PROVIDE BULKY WASTE AND MUNICIPAL SOLID WASTE DISPOSAL SERVICES FOR THE PUBLIC WORKS DEPARTMENT, SANITATION DIVISION**

This item was removed from consideration to be re-considered at a later date.

#### **J. RESOLUTION NO. 10-178 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH HENSONS' INC. TO PROVIDE BRUSH AND LEAF DISPOSAL SERVICES FOR THE PUBLIC WORKS; PARKS, RECREATION AND CULTURAL ARTS; AND WATER DEPARTMENTS**

Summary: The consideration of a resolution authorizing the City Manager to enter into a contract with Hensons' Inc., to provide brush and leaf disposal services for the Public Works; Parks, Recreation and Cultural Arts; and Water Departments.

The City of Asheville Public Works Department, Sanitation Division provides year round, monthly collection of brush for residents in the City of Asheville. In addition, the Sanitation Division provides seasonal curbside leaf collection services during the period November 1<sup>st</sup> to January 31<sup>st</sup>. The Public Works Department Streets Division provides tree trimming and maintenance services for vegetation located within the City's rights-of-way The Parks, Recreation and Cultural Arts Department provides tree trimming services for their parks and recreational areas. The Water Department during the course of construction and maintenance generate a minimal amount of brush.

The City does not have a brush and leaf disposal facility and requires a permitted facility to accept the bush and leaves generated by City operations for disposal.

The City conducted a competitive bid process, receiving two (2) bids for the disposal of brush and leaves generated by the City. Hensons' Inc. was the lowest responsive and responsible bidder at a cost not to exceed \$90,800.

This action complies with the City Council Strategic Operating Plan, Green & Sustainable and Safe by diverting brush and leaves from the landfill and processing in the form of mulch for reuse and by removing potentially dangerous vegetation in our parks and recreation facilities and from our right-of-ways.

Pros:

- Provides a key residential service for all residents of the City of Asheville.
- Provides a safe environment by trimming potentially dangerous vegetation in the City's parks and recreational areas and the City's rights-of-way.
- Provides a permitted facility to accept brush and leaves.
- Vegetation is kept out of the landfill and is ground into various types of mulch for reuse.

Cons:

- None

The \$90,800 is budgeted in the FY 2010 – 2011 operating budgets of the aforementioned Departments.

City staff recommends City Council adopt a resolution authorizing the City Manager to enter into a contract to provide leaf and brush disposal services with Hensons' Inc., not to exceed \$90,800.

**RESOLUTION BOOK NO. 33 – PAGE 173**

**K. RESOLUTION NO. 10-177- RESOLUTION AUTHORIZING THE MAYOR TO APPROVE A GRANT OFFER FROM THE FEDERAL AVIATION ADMINISTRATION FOR PROJECT NO. 3-37-0005-038-2010**

Summary: The consideration of a resolution authorizing the Mayor to approve a Grant Offer from the Federal Aviation Administration (FAA) in the amount of \$1,389,870.

The FAA has offered a grant agreement to the Asheville Regional Airport. This grant, in the amount of \$1,389,870 is for (1) "A" Gates – Terminal Improvements and Renovations Project – Alternate 2 – Expansion of Holding area; and (2) "A" Gates – Terminal Improvements and Renovations Project – Alternate 3 – Expansion of Concessions Area (apron side).

**RESOLUTION BOOK NO. 33 – PAGE 172**

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 Newman moved for the adoption of the Consent Agenda. This motion was seconded by Councilman Smith and carried unanimously.

**III. PRESENTATIONS & REPORTS:**

**A. HOMELESS INITIATIVE UPDATE**

Mr. David Nash, Chairman of the Homeless Initiative Advisory Committee, said that this is the annual update report on progress to date on the implementation of the 10-year Plan to End Homelessness.

He said that the Homeless Initiative Advisory Committee are appointed members representing public, private, non-profit, community at large members, and people who have experienced homelessness. Their goals are (1) adequate funding for housing and services; ( )

housing and services reduce homelessness; (3) accurate data collection, evaluation, and dissemination; and (4) community collaboration.

**Funding** - In addition to \$898,401 in renewal funding granted to the Asheville-Buncombe Continuum of Care for housing and services, HUD just announced an additional \$44,503 in additional funding for housing and services.

While there was an increase in funding the community, it affords only additional financial assistance; associated funding for supportive services still must be developed.

Regarding private funding, key foundations and private donors continue to support agencies seeking to prevent and end homelessness. Regarding public funding, there is a continuum of care, Community Development Block Grant/HOME funding; recovery funding; HPRP; and Housing Authority subsidies.

### **Data Collection & Evaluation**

**UNC Study**- A final copy of a longitudinal study from UNC is expected soon. Preliminary reports from the researchers suggest that emergency costs to the community decrease once people obtain housing.

**HMIS** – Our community’s data quality allowed us to participate in the National Annual Homeless Assessment Report for the first time this year. Our participation makes us much more competitive for key federal homeless funds.

10 agencies currently enter data for 21 programs in HMIS. Within the past year, the community has increased the number of records in HMIS by 90%, and over 96% of those records are not missing data.

**Housing Status** is now included at intake at Jail and DSS allowing for early identification of people who are experiencing a housing crisis.

### **Evidence-Based Programs**

**SOAR**: Asheville-Buncombe’s SSI, SSDI. Outreach & Recovery Program (SOAR) leads the state in efficacy. Pisgah Legal Services is the lead agency, partnering five other local agencies to implement SOAR. The program works to help people who can not work due to a disability and who are experiencing homelessness access benefits within months instead of years. This past year, a \$1:\$62 return was measured for people accessing the SOAR program.

**HPRP**: The Homeless Prevention and Rapid Re-Housing Program (HPRP), funded by the American Recovery and Reinvestment Act offers agencies an opportunity to help people who are homeless or at imminent risk of homelessness by providing financial assistance and housing stabilization services.

Total number of people served to date:

112 people in 42 households have been prevented from becoming homeless  
42 people in 26 households have left homelessness

HPRP spends an average of \$1975/household to prevent or end homelessness. 60% of HPRP funds are used in direct financial assistance and 40% are used for housing stabilization services.

### **Community Collaboration & Outreach**

In April, a Homeless Persons Memorial Day Service memorialized 25 who died while homeless in 2009.

A Faith Summit in February brought 70 people from a variety of faith groups together to strategize around how to end homelessness.

Landlord Lunch and Learn, scheduled for 8/13/2010, will offer landlords an opportunity to learn about housing programs managed by local housing agencies and learn about the legal rights and obligations of being a landlord.

Project Connect and the VA Stand Down are scheduled for September 10, 2010. It is expected that about 300 people will access barrier-free housing and services on that day. Volunteers are still needed.

Successes recognized are (1) unprecedented collaboration; (2) federal plan to prevent and end homelessness; and (3) focus on housing and services is yielding results. Challenges include (1) increased economic pressures; and (2) limited funding for services.

Ms. Amy Sawyer, Homeless Initiative Coordinator, reiterated that 10 agencies currently enter data for 21 programs in HMIS. Within the past year, the community has increased the number of records in HMIS by 90%, and over 96% of those records are not missing data.

When Councilman Bothwell asked how has this recession affected the number of chronic homeless, Ms. Sawyer said with our point in time count we have seen our numbers stay pretty stable. In fact, we have seen the number of people who are sleeping outside experiencing chronic homelessness decrease. We do know; however, that there are people who are experiencing homelessness and people who are in imminent risk of homelessness that if there isn't some type of prevention, their homelessness will become chronic.

In response to Mayor Bellamy, Mr. Nash explained the vet quarters and the positive difference it is making to our community.

On behalf of City Council, Mayor Bellamy thanked Mr. Nash, Ms. Amy Sawyer, and the entire Homeless Initiative Advisory Committee for their work on this very important Committee.

#### **B. ASHEVILLE-BUNCOMBE CRIME-STOPPERS UPDATE**

Mayor Bellamy said that this update will be rescheduled.

#### **C. ECONOMIC STIMULUS PACKAGE UPDATE**

**RESOLUTION NO. 10-179 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH TRIANGLE J COUNCIL OF GOVERNMENTS ACCEPTING SUB-GRANTEE FUNDS FROM THE DEPT. OF ENERGY CLEAN CITIES GRANT**

**ORDINANCE NO. 3885 - BUDGET AMENDMENT ACCEPTING FUNDS FROM THE DEPT. OF ENERGY CLEAN CITIES GRANT**

American Recovery & Reinvestment Project Manager Brenda Mills said that this is the consideration of (1) a resolution authorizing the City Manager to enter into an agreement with the Triangle J Council of Governments accepting sub-grantee funds from the Department of Energy's Clean Cities Grant to upgrade 29 fleet vehicles to CNG and upgrade the existing City of Asheville CNG station expand capacity; (2) a budget amendment, in the amount of \$779,020, accepting the sub-grantee funds.

Through a grant in 2005 the City of Asheville installed the regions first compressed natural gas (CNG) fueling station. Mission Hospital and UNC-Asheville partnered with the City in this grant by investing in CNG fleets. Since that time the City of Asheville has also invested in CNG by growing the fleet to include 10 CNG vehicles. The Carolina Blue Skies Green Jobs grant will award the City of Asheville \$779,020 to build upon the regions CNG leadership.

Regional partners who will also expand their CNG fleets through this grant include: The Biltmore Estate, Public Service of North Carolina (PSNC) Mission Hospital and the City of Hendersonville. To support this large scale effort the City of Asheville is also funded to expand the capacity of the existing CNG station.

This grant requires a 1:1 in-kind match with the City of Asheville. City of Asheville grant activities include:

<b>Grant Activity</b>	<b>Grant Funds</b>	<b>In-Kind Match Funding</b>
Upgrade 29 fleet vehicles to CNG	\$425,326	\$762,000 -- budgeted capital expenses for vehicle procurement in FY 10-11; FY 11-12; FY 12-13 coupled with the value of existing vehicles which will be converted through this grant
Increase capacity of existing CNG station	\$353,694	\$10,000 – project management costs
<b>TOTAL</b>	\$779,020	\$772,000

This action complies with City Council's Strategic Operation Plan in the following ways: (1) Leverage internal and external partnerships for pursuing capital improvements and infrastructure projects; (2) Continue to proactively pursue funding opportunities with state and federal economic stimulus packages; (3) Work with regional partners to create incentives for green building, energy conservation and energy independence; and (4) Identify strategies and costs for increasing the city's annual energy reduction goal to 4%.

Pros:

- Triple the city's CNG fleet
- Support municipal carbon reduction efforts
- Expand regional partnerships that support energy independence

Con:

- Matching funds of \$10,000 project management costs

Matching funds of \$10,000 for project management costs will be absorbed in the existing FY 2010-2011 Budget. As noted above, the remainder of the City's match requirement will be met from the value of vehicles that were previously purchased or are planned for replacement as a part of the five year Capital Improvement Program.

Staff recommends City Council (1) adopt a resolution authorizing the City Manager to enter in to an agreement with the Triangle J Council of Governments accepting sub-grantee funds from the Department of Energy Clean Cities Grant to upgrade 29 fleet vehicles to CNG and upgrade the existing City of Asheville CNG station expand capacity; (2) and approval of a budget amendment, in the amount of \$779,020, accepting the funds.

When Mayor Bellamy asked for public comment, no one spoke.

Mayor Bellamy said that members of Council have been previously furnished with copies of the resolution and ordinance and they would not be read.

Councilman Bothwell moved for the adoption of Resolution No. 10-179. This motion was seconded by Councilman Smith and carried unanimously.

**RESOLUTION BOOK NO. 33 – PAGE 174**

Councilman Smith moved for the adoption of Ordinance No. 3885. This motion was seconded by Councilman Bothwell and carried unanimously.

**ORDINANCE BOOK NO. 26 – PAGE**

**IV. PUBLIC HEARINGS: None**

**V. UNFINISHED BUSINESS:**

**A. RESOLUTION NO. 10-180 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH THE WACKENHUT CORPORATION TO PROVIDE CONTRACTED SECURITY SERVICES FOR THE CITY OF ASHEVILLE PARK SYSTEM**

Parks & Recreation Director Roderick Simmons said that this is the consideration of a resolution authorizing the City Manager to enter into a contract with the Wackenhut Corporation to provide contracted security services for the City of Asheville park system.

On July 27, 2010, City Council reviewed the recommendation to enter into a contract with the Wackenhut Corporation for security services in the City's park system. Council requested additional information as outlined below, which is followed by the original information as presented at the July 27 Council meeting.

Below is the additional information requested:

- How does the cost of the contract compare to City employees providing the service?

To provide the same level of park security as identified in the Wackenhut contract with in-house staff requires hiring two permanent and one temporary employee which is estimated to cost \$104,399 per year including salaries and associated cost. It was determined to re-engineer to the contract security services at \$76,445 resulting in a savings of \$27,954.

- Will the employees of the security company be paid a living wage?

Wackenhut employs skilled and well-trained security personnel. Wackenhut's bill rate for labor is \$12.98 per hour.

- What kind of police powers are we handing off to the security company?

Wackenhut will provide uniformed security officers to protect park property by maintaining a high visibility presence in parks and facilities to deter illegal activity and watch for signs of crime and disorderly conduct. Wackenhut officers have no police powers in that they do not carry a weapon, cannot make citations, and cannot make an arrest. In the event such action is needed, Wackenhut will contact the Asheville Police Department. The City currently contracts with Wackenhut for similar security services at City-owned parking decks and water pump stations.

The following is contract information: The City of Asheville has historically provided security in its 54 parks via one Park Warden to patrol all parks at 40 hours per week, one Park Ranger at Pritchard Park at 40 hours per week, and Asheville Police Department regular patrol



schedule at all other times. The security plan left significant gaps in coverage due to the large number of parks located in a large geographic area, and did not provide sufficient round the clock patrol. The lack of park patrol resulted in a high incident of vandalism and graffiti in parks.

In preparation for the City to accept security and maintenance operations of Pack Square Park, and recognizing the limited resources to provide security in the entire park system, staff conducted a cost comparison to provide a sufficient level of park patrol in all parks with in-house resources verses contracted services.

The re-engineered operations to provide full-time park security coverage include 1) Assign the two existing in-house park patrol employees to patrol downtown parks with an emphasis on Pritchard Park and Pack Square Park during most day-time hours, 2) Contract for security services to patrol all parks during night-time hours, and 3) Asheville Police Department supplement security operations. The cost of in-house park patrol employees and the contracted security service is shared between the Pack Square Park budget and the Park Maintenance budget in the Parks, Recreation & Cultural Arts Department.

To activate the contracted park security, the City conducted a competitive bid process for park security for the entire park system. The Wackenhut Corporation located at 9-H Drive Arden, North Carolina was the lowest responsive and responsible bidder at a cost not to exceed \$76,445.32, and is proposed to be selected to perform contracted park security services within the City's park system.

This action complies with the City's Strategic Operating Plan in that it supports making Asheville one of the safest and most secure communities when compared to similar cities; and making smart investments that accomplishes lasting and tangible returns by investing in security services for the City's park system. It is also consistent with the Parks, Recreation, Cultural Arts and Greenways Master Plan in that it provides ongoing maintenance and security for the City's park system.

Pros:

- Enhances making the City park system safe for park visitors.
- Re-engineer resources for ongoing, core park security services within same budget as previous year.
- Fulfill commitment for security of park system.

Con:

- None

The \$76,445.32 to support the contract is budgeted in the FY 2010-2011 operating budget in Parks, Recreation & Cultural Arts Department, and shared by the Pack Square Park and Park Maintenance budget. This is a \$27,954 savings compared to providing the security services in house via additional City employees.

6 City staff recommends City Council adopt a resolution authorizing the City Manager to enter into a contract to provide park security with the Wackenhut Corporation not to exceed \$76,445.32.

Councilman Bothwell noted that the Miami Transit System had to end their contract with Wackenhut Corporation because they were billing for ghost workers; however, he was not accusing the local provider of that behavior. He asked if our cost estimate includes oversight on the part of the City to make sure the workers are showing up. Mr. Simmons responded that the Parks, Recreation and Cultural Arts Department have a sensor that an id card must be swiped.

Councilman Bothwell noted that the company's billing rate is \$12.98, but expressed concern that that is not what they are paying their workers.

When Councilman Bothwell asked if the Police Department was involved in this process, City Manager Jackson said that the Police Department was involved and if we use sworn officers, the cost would be significantly higher. This would not be the highest and best use of our sworn officers.

When Mayor Bellamy asked for public comment, no one spoke.

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

Councilman Russell moved to adopt Resolution No. 10-180. This motion was seconded by Councilman Davis and carried on a 5-1, with Councilman Bothwell voting "no."

### **RESOLUTION BOOK NO. 33 – PAGE 175**

#### **B. RESOLUTION NO. 10-181 - RESOLUTION TO SUPPORT FEDERAL LEGISLATION IN PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAMS**

City Energy Coordinator Maggie Ullman said that this is the consideration of a resolution in support of Federal legislation allowing property assessed clean energy (PACE) programs.

At its January 12, 2010, meeting, the Asheville City Council directed staff to complete a feasibility analysis and pilot program design for the Asheville Energy Independence Initiative, a program that would allow citizens to invest in energy efficiency and renewable energy improvements on their private property through a loan issued by the City of Asheville and repaid through a property tax assessment. On June 22, 2010, staff provided an update to Council outlining state legislative and national regulatory home loan issues in relation to the PACE model. Since that time, the state legislative session has come to a close, and staff is providing an update on PACE progress.

- **State Legislative Update:** Although some barriers to implementing a PACE program in North Carolina were removed through the 2010 short legislative session (May- July 2010), some barriers remain. A state wide coalition of municipalities and stakeholders believes a legislative fix to these barriers is realistic during the 2011 long legislative session (January 2011- Summer 2011).
- **Home Loan Regulatory Update:** On July 6, 2010 the Federal Housing Finance Agency (FHFA) - the regulator and conservator of Fannie Mae, Freddie Mac, and the regulator of the 12 Federal Home Loan Banks - issued a statement explaining that a senior PACE lien is in violation of any Fannie Mae or Freddie Mac mortgage contract. The FHFA statement stated "significant safety and soundness concerns" with PACE liens assuming senior lien status since PACE liens may increase lenders' risk of non-repayment of mortgage loans.
- **Federal Legislative Update:** In response to the July 6 FHFA letter, a national coalition formed to pursue Federal legislation securing local governments' ability to implement PACE programs. On July 15, House Bill 5766 was introduced and has since referred to a committee. The national coalition is encouraging local governments to pass resolutions in support of federal legislation.

Pursuing a PACE model or other investments in renewable or energy efficiency improvements supports City Council's goal of becoming the southeastern leader in clean energy

and environmental sustainability, specifically the Council's objective to reduce energy consumption in the community.

Pros:

- Provides more time to gather more data to best understand the local market and help better design a larger-scale PACE program
- Postpones expenditure of EECBG monies for use to leverage capital to begin a PACE program

Cons:

- PACE enabling legislation is not guaranteed
- Uses ARRA money in the long term

Up to \$20,000 for the feasibility analysis to be used from EECBG funding and DOE technical assistance support.

Staff recommends City Council approve a resolution in support of Federal legislation that affirms local governments' ability to implement PACE programs.

Given the ongoing legislative action related to PACE, staff further recommends that City Council wait for clear legislative and regulatory authority to launch a PACE program in Asheville. By waiting for clear authority, Asheville would retain the remaining \$250,000 in EECBG funds until the PACE model is deemed legally feasible, and then apply those funds toward launching a full-scale program. In the meantime, staff recommends conducting a formal market feasibility study intended to quantify the demand for a PACE program in Asheville, and thus scope any future capitalization of a PACE loan fund.

Alternatively, City Council could consider other opportunities for using the \$250,000 in EECBG in the near-term, including funding a loan loss reserve fund in partnership with an existing loan service provider (local credit union or bank) to issue private loans for renewable and energy efficiency improvements; funding renewable and energy efficiency demonstration improvements through a grant process to residential or commercial properties; making energy efficiency investments in city-owned facilities; or other options.

Vice-Mayor Newman understood that laws take a long time to enact; however, he felt the next step is to talk with our local legislators to get their feedback and ask for their help. In terms of the \$250,000 in EECBG funds, he felt we have at least three options. One option is to hold these funds in reserve in hopes that the legislative authority for the PACE programs will be worked out and we can begin implementation. The second option is that since the EECBG funds can be used for a revolving loan fund for clean energy community based financing, similar to what the PACE program would be, we could start a demonstration project using those funds for that purpose. It would be a good way to see how receptive the community is in getting involved in this effort. If there is strong community support we could go to our legislators and urge them to work this out. The third option would be to use those funds on our own facilities to make them energy efficient while we keep working on the PACE program. He is most inclined to get started with Option Two.

Councilman Davis could not support using the \$20,000 on planning at this time. He could support Option Two with our own model but he would prefer to see a more clearly defined program outlined. On the other hand, we have \$250,000 we could actually put to work now on our own facilities. He supported looking at all the opportunities and asking staff to report back to Council.

Throughout discussion, Ms. Ullman and City Attorney Oast responded to various questions/comments regarding the PACE program and the legislation, some being, but are not limited to: since we have adopted two resolutions to the state legislature requesting authority to

do this, why do you think this resolution will work; what is staff's thoughts on what is holding this up at the state level; it is unclear whether the City has the legal authority (even though it is a voluntary program) to have a special assessment placed on someone's property for this purpose; and a loan loss reserve fund would get the money into the community.

Councilman Smith supported the legislation moving forward as there is an urgency due to the climate change, necessity of reducing our carbon footprint, and reducing our energy demand. He suggested we get some sort of framework to look at the different options.

Rev. Scott Rogers, representing the Asheville-Buncombe Community Christian Ministries, explained why he felt the PACE program was important and supported Option Two. He urged Council to move forward as quickly as possible.

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

Vice-Mayor Newman moved to adopt Resolution No. 10-181. This motion was seconded by Councilman Bothwell.

Mayor Bellamy said that it is her understanding, from the N.C. League of Municipalities, that the hold-up is on the federal level and that is what stopped the momentum at the state level. She suggested a conversation with our federal legislators. She also supported looking at the Housing Trust Fund model and also the old Rehab Program model. The Rehab Program was a federally funded program that allowed cities to use CDBG funding to make investment in houses that were dilapidated on the rental side as well as the homeowners. Those are two successful models we have done in the past.

Councilman Russell could not support the motion in that the two largest issuers of these mortgage contracts are saying it can't be done. He understood the concept, but if someone wants to put solar panels on their roof they can get a home equity line of credit from their bank. He could not support government getting into the lending business for this program.

Vice-Mayor Newman felt that this is a new idea and there are high level discussions about the concept. He felt there are a lot of people in the housing financing institutions who would like to find a way to make this work. He felt that if these programs are run well, they should not have a negative impact on the strength of people who are homeowners.

Mayor Bellamy said that part of the issue with the PACE program is not having those regulations in place. She thought that was a main concern for the regulators in that they didn't want cities from all over the country developing their own PACE programs without any unified guidelines. She felt that by having the federal government look at some of the guidelines being put in place will provide some assurance that when a loan is issued that there are some stop-gap measures that the money will be recouped. She supports the program because we have been successful with the community with the Housing Trust Fund model and the old Rehab Program model. If we look at what is available to us and find a way that this loan program is paid back, it would help create jobs in the immediate future as well as pay us back in the revolving loan fund.

This motion made by Vice-Mayor Newman and seconded by Councilman Bothwell carried on a 5-1 vote, with Councilman Russell voting "no."

Vice-Mayor Newman moved to continue the discussion about the EECBG funds to September 14, 2010. This motion was seconded by Councilman Bothwell and carried unanimously.

**C. RESOLUTION NO. 10-182 - RESOLUTION APPROVING THE REPORT  
SETTING FORTH PLANS TO PROVIDE SERVICES TO THE AREA  
PROPOSED FOR ANNEXATION KNOWN AS COOPERS HAWK DRIVE AREA**

**RESOLUTION NO. 10-183 - RESOLUTION APPROVING THE REPORT  
SETTING FORTH PLANS TO PROVIDE SERVICES TO THE AREA  
PROPOSED FOR ANNEXATION KNOWN AS ROYAL PINES AREA**

Urban Planner Blake Esselstyn said that this is the consideration of resolutions approving the Annexation Services Plan for the Coopers Hawk Drive and Royal Pines annexation areas.

On July 27, 2010, the Asheville City Council passed resolutions of intent to annex two areas contiguous with the current corporate limits. These areas are the Coopers Hawk Drive Area and the Royal Pines Area. Staff had identified these areas as areas that meet the statutory requirements for annexation as set forth by the State of North Carolina and areas in conformance with current City annexation policy.

The second step in the annexation process is for the City Council to consider and approve an Annexation Services Plan for the areas to be annexed. The Annexation Services Plan includes a demonstration of how each area proposed for annexation meets the statutory qualifications for annexation and further demonstrates the capability of the City to provide urban services to these areas.

A public information meeting on the annexations is scheduled for September 13, 2010, and a public hearing is scheduled before the Asheville City Council on October 12, 2010.

Pros:

- Supports City of Asheville's Smart Growth Annexation program (regular program of annexations) as set forth in the City's 2025 Plan.
- Provides for an urban level of service for developed and developing areas adjacent to the existing city limits and includes those benefiting from existing City services in participation in the costs of such services.

Con:

- Residents of proposed annexation areas may object to such annexation.

The fiscal impact of these annexations is contained in great detail on pages 29-34 of the plan. General fund impact is enumerated on pages 33 and 34.

He said the annexation standards consist of (1) At least 1/8th of area's boundary must be adjacent to city; (2) Must meet 1 or more of 4 development tests: (a) Population density: estimated population of at least 2.3 persons per acre; (b) Subdivision: at least 60% of total acreage subdivided into lots of 3 acres or less, at least 65% of lots are 1 acre or less, and an estimated population of at least 1 person per acre; (c) Development: 60% of lots are developed, and 60% of total acreage in residential use or vacant consists of lots 3 acres or less in size; or (d) Nonresidential Urban Use: All lots within area are used for commercial, industrial, governmental, or institutional purposes; (3) May include non-urban area(s) provided: (a) Total of area(s) less than 25% of total annexation area; and (b) Each area must be adjacent on at least 60% of its boundary to existing city limit or area developed for urban purposes.

Using maps, Mr. Esselstyn summarized the Plan for Services as follows: (1) Coopers Hawk area (a) 31 parcels (or portions of parcels); (b) 41.8 acres; (c) 16 dwellings; (d) approximately 35 people; (e) residential land use; and (f) meets development test; and (2) Royal Pines area (a) 682 people; (b) 388.7 acres; (c) 670 dwellings; (d) approximately 1,595 people; (e) residential land use; and (f) meets population density test, subdivision test and development test.

Ms. Julia Fields, Urban Planner, then briefly reviewed the Plan for Extension of Services for police protection (one new police officer); fire protection; solid waste collection (additional automated truck, additional leaf truck and three additional positions, noting that there was an automated truck programmed in the 2007 annexations but never purchased pending the Biltmore Lake area litigation - even if the litigation is resolved favorably to the City, a truck will not need to be purchased as a new truck is programmed in these (2011) annexations); street maintenance in Royal Pines area includes minor repairs on Cedar Lane, Locust Court and Morgan Boulevard; overlays on Crestview Court and Fox Hollow Court; and reconstruction of Rosscraggon Court; water distribution (500' of 6" waterline and 3 additional fire hydrants in the Royal Pines area); sewer collection; and administration and other services.

Revenue summary for both areas total (1) ad valorem - \$521,957; (b) state utility taxes - \$90,361; (c) sales tax - \$189,170; (d) Powell Bill - \$40,112; (e) fees, charges and permits - \$46,783 for a total of \$888,383.

Annually recurring expenditures totals (1) police - \$46,100; (2) fire - \$97,914 (5-year duration for rural fire district); (3) solid waste - \$224,645; (4) recycling - \$24,284; (5) street maintenance - zero; and (6) street lighting - \$2,520 for a total of \$395,463. After five years total - \$297,549.

Capital expenditure totals are \$41,500 (Police); \$82,526 (Fire); \$45,500 (water lines); \$594,277 (solid waste); \$35,190 (rollout containers); \$3,142 (street signs); \$116,073 (street repair); and \$4,000 (stormwater) for a total of \$922,208. Further details are as follows: (1) Police capital costs include equipment (\$6,500) and a vehicle (\$35,000) for the new officer; (2) Fire costs show debt service to be paid to rural fire departments. Debt service to be paid after 5 years if debts still outstanding. Estimates are based on most recent information available from the rural departments. In most instances there is no outstanding debt and these expenses are never incurred by the City; (3) Water costs are for infrastructure improvements for fire protection (500' of 6" waterline and three additional fire hydrants). These expenses will be paid out of the Water Resources Fund; (4) Solid waste costs include potential economic loss (fifteen months) to private waste haulers (\$209,277); additional automated truck (\$270,000); and, additional leaf collection truck (\$115,000). The payment to private waste haulers will occur in Year 1 (\$197,651) and Year 2 (\$11,626). It is proposed that both trucks be financed over a five (5) year period resulting in annual payments estimated at \$90,000. [NOTE: An automated truck was programmed in the 2007 annexations but never purchased pending the Biltmore Lake Area litigation. Even if the litigation is resolved favorably to the City, a truck will not need to be purchased as a new truck is programmed in these (2011) annexations]; (5) Street Repair in Royal Pines includes minor repairs on Cedar Lane, Locust Court and Morgan Boulevard (\$2,000); overlays on Crestview Court and Fox Hollow Court (\$51,810); reconstruction of Rosscraggon Court (\$61,463); and (6) Stormwater costs are for the replacement of six stormwater lids in Royal Pines. These expenses will be paid out of the Stormwater Enterprise Fund.

She then reviewed a comparison of the General Fund annual revenues/expenditures.

City staff recommends that City Council adopt the resolutions approving the Annexation Services Plan for the Coopers Hawk Drive and Royal Pines Areas.

Vice-Mayor Newman understood the state process but questioned at what time could Council amend the services plan if they hear compelling arguments or ideas in terms of services and infrastructure. Ms. Fields replied that Council can amend the services plan at anytime up to adoption of the ordinances on October 26.

Mayor Bellamy felt that staff should program information regarding needed sidewalks in the annexation services plan before the new residents are wrapped into the equation of all the other sidewalk needs in the City. Ms. Fields replied that typically those are dealt along with all the other needs of the City once the area comes into the City. The Royal Pines area would probably

become part of the Pedestrian Plan and staff would look at what their needs were and then they would be programmed in along with the rest of the City.

Mayor Bellamy said that as policy direction, she recommended instead of having over 600 people come to Council and say they want sidewalks, that staff program those into the annexation services plan so we will know what those expenditures are and get those done. She suggested the policy direction be changed to identify the annexation area sidewalk needs early on and factor that cost in.

Planning & Development Director Judy Daniel said that when staff assesses a need for sidewalks, a lot of factors are considered, i.e., density of the neighborhood, topography, access of the neighborhood to areas where people want to walk, etc. To do the assessment is a fairly complex matter which is why it is something done after the residents are brought into the City. Programming in sidewalk needs into the annexation services plan will add time into the process.

Mayor Bellamy said that if we don't include sidewalks in the plan then the projected expenditures are not true numbers. She felt sure that those residents will be asking for sidewalks because we provide sidewalks to other residents of the City. She felt if we approach it proactively by giving policy direction to program in sidewalks, then we will know that we will have to pay for those sidewalks over a given period of time. She felt that would be a good incentive to come into the City and have sidewalks.

Director of Transportation Ken Putnam said that we already have established policy direction under the Pedestrian Plan, but if we are looking at annexation and trying to consider that one of the perks that you would get as part of the annexation might be sidewalks, then we would look at them on a different tract. We already have in our Engineering Standards a policy that says if a street has less than 300 vehicles a day, then we probably would not put a sidewalk on that street at all. If it gets between 300-1,000 a day, there would be a sidewalk on one side of the street. If it's greater than 1,000 or if the street width is greater than 30 feet, then we would want sidewalks on both sides of the street. Given that criteria, we could certainly go through and create the potential costs for any kind of annexation area.

Mayor Bellamy reminded Council that the City spent \$1.8 Million on a sewer line for the Brevard Road annexation area and immediately gave it to MSD and they are reaping the benefits. There's no guarantee that the sewer line will be used to its fullest extent, but we know that sidewalks will be used. That tells her that our policies need to be in line with what we want to occur.

Director of Public Works Cathy Ball said that this is a policy direction because it is not something that every citizen in the City has or a service that we provide every citizen. From an implementation standpoint she asked for Council's consideration of adding a provision that all of the property owners donate the right-of-way to install sidewalks. That is the biggest hurdle we have in going into neighborhoods to install sidewalks. Mayor Bellamy was agreeable to that provision.

Councilman Smith felt the sidewalks issue is an interesting idea and he would be interested in exploring this policy direction at perhaps an upcoming retreat.

Vice-Mayor Newman said there are a lot of neighborhoods that have been in the City for years that don't have sidewalks in places where people would like to have sidewalks. The houses were built at a time when developers did not build sidewalks or at a time when the City did not have regulations to require developers to build sidewalks. He didn't think it would be realistic to say that we can give everybody sidewalks. He reiterated that if there are some compelling arguments made that in key locations that sidewalks are really needed and if those are identified through this process he hoped we will do something about it.

Councilwoman Davis felt it was a good thought for future annexations. He felt that probably many of the streets in the Royal Pines area do not meet the criteria for sidewalks and felt we need to be careful about changing our annexation policy at this time in the process. He felt it was difficult to have staff assess the sidewalk needs this quickly, and to put that as one of our service provisions at this point is very difficult.

Mayor Bellamy felt that going forward the only way we will address the vast need of sidewalks in our community is to look at our policies to see how they can support the goal of meeting those needs. She asked for Council's support to direct staff to look at sidewalks as part of the annexation services plan and noted in the plan either as a reoccurring expense or a one-time capital expense for all new annexations.

When Mayor Bellamy asked for public comment, no one spoke.

Mayor Bellamy said that members of Council have been previously furnished with copies of the resolutions and they would not be read.

Vice-Mayor Newman moved for the adoption of Resolution No. 10-182. This motion was seconded by Councilman Davis and carried on a 6-1 vote, with Councilman Russell voting "no".

**RESOLUTION BOOK NO. 33 – PAGE 177**

Vice-Mayor Newman moved for the adoption of Resolution No. 10-183. This motion was seconded by Councilman Davis and carried on a 5-1 vote, with Councilman Russell voting "no".

**RESOLUTION BOOK NO. 33 – PAGE 178**

**Closed Session**

Mayor Bellamy then announced a short recess at which time City Council would conduct a closed session.

At 7:05 p.m., Councilman Smith 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 potential litigation. The statutory authorization is N.C. Gen. Stat. sec. 143-318.11(a)(3); and (2) To prevent disclosure of information that is privileged and confidential, pursuant to the laws of North Carolina, or not considered a public record within the meaning of Chapter 132 of the General Statutes. The law that makes the information privileged and confidential is N.C.G.S. 143-318.10(e). The statutory authorization is contained in N.C.G.S. 143-318.11(a)(1). This motion was seconded by Councilman Bothwell and carried unanimously.

At 7:26 p.m., Councilman Russell moved to come out of closed session. This motion was seconded by Councilman Davis and carried unanimously.

**VI. NEW BUSINESS:**

**A. RESOLUTION NO. 10-184 - RESOLUTION AUTHORIZING THE MAYOR TO DISPOSE OF CITY-OWNED REAL PROPERTY LOCATED ON PISGAH VIEW ROAD BY PRIVATE SALE TO ASHEVILLE AREA HABITAT FOR HUMANITY**

Community Development Analyst Randy Stallings said that this is the consideration of a resolution authorizing the City to convey by private sale, an interest in real property acquired through an upset bid process in foreclosure proceedings for the Villas at Cedar Hill.



In summer 2003 and early 2004, a total of \$217,000 was loaned from the Housing Trust Fund to Villas at Cedar Hill, LLC for the development of forty-two (42) units of affordable multifamily housing. Only ten (10) of the units were completed, and in May 2009 the City received notice that the senior lien holder had moved to foreclosure. The outstanding principal balance owed to the Trust Fund by Villas at Cedar Hill, LLC was \$206,785.

The property went to auction, along with other property held as security by the senior lien holder. In an effort to protect the City's substantial investment, City Council authorized Staff to bid at the foreclosure auction for undeveloped parcels that could potentially be purchased below market value. In that auction, the property on which Phase I of the original development was sited, containing the ten (10) completed units and infrastructure, was purchased by Mr. Jim Hitt for \$165,375. Although bidding as a private buyer at auction, Mr. Hitt is also Managing Member of Villas at Cedar Hill, LLC. Following the sale, the property was then immediately deeded from Mr. Hitt to a newly formed LLC (Resurgence Development LLC). Mr. Hitt, as Managing Member of Resurgence Development LLC, remains in control of that parcel.

The City purchased two parcels adjacent to the original site: a 9.806 acre parcel (PIN no. 9628.16-9767-00000) which was appraised in September 2008 at \$461,000 and for which the City paid \$270,000; and a 6.2 acre parcel (PIN no. 9628.27-4164-00000) with a deteriorated vacant home and barn with an estimated value of \$291,400 and for which the City paid \$115,500.

In total, new investment in the amount of \$397,195 (which includes land purchase, payment of delinquent taxes, and attorneys' fees) was used to acquire the sixteen (16) acres of undeveloped land.

The estimated value for these sixteen (16) acres, based upon the appraisal of the 9.806 acre parcel in September 2008 was \$752,000. The actual value in the current market is difficult to establish due to the lack of comparable sales. Assuming depreciation as high as 20%, the current market value would be in the vicinity of \$600,000-\$640,000. Additionally, that value assumes sewer and water access; currently, only water access is available. Sewer access is via an existing easement to an MSD-owned pump station. This station is located on the parcel controlled by Mr. Hitt. Once access to the pump station is obtained, an access fee of \$107,000 will be payable to MSD. Total investment by the City to date, including the outstanding balance on the original HTF loans and the new investment used to purchase the subject property, is \$603,980.

Letter of Intent: The property has been listed for sale by the City on the Karnes site since March 16, 2010. While there have been a handful of inquiries, no tentative offers had been received during the period of listing. On July 27, 2010, staff received a formal written offer from Habitat for Humanity to purchase the sixteen (16) acres from the City for the development of fifty-five (55) single-family homes. The homes would be sold to families below 80% of area median income. Habitat's offer is for a sales price of \$450,000, with \$300,000 at closing and an additional \$150,000 to be applied as second mortgages to be held by individual homeowners as homes are completed and sold. A similar agreement was reached for the development of the Brotherton Subdivision. These second mortgages would be due and payable only when the houses were sold to families earning more than 80% of median income. The Housing and Community Development Committee reviewed the proposal at their July 29<sup>th</sup> meeting and have recommended that the offer be accepted.

The offer is contingent upon the City acquiring access to an existing easement which is needed to provide sewer access to the property. The MSD pump station is located on the parcel controlled by Mr. Hitt. If Council accepted the purchase offer from Habitat, City staff would prepare a formal offer letter to Mr. Hitt for purchase of the right-of-way at market value. If the offer is refused, the Housing and Community Development Committee is supportive of the City taking the necessary action to begin eminent domain proceedings. The condemnation would only apply to an existing easement and is less than 2,000 square feet.

## Pros:

- Fifty-five (55) units of affordable housing will be created.
- All units will be constructed to Energy-Star and NC Healthy Built standards.
- The Housing Trust Fund will be partially repaid.
- Sale of the property provides additional liquidity for new Housing Trust Fund investments at a time when resources are extremely scarce.
- The creation of fifty-five (55) single family homes will increase the City tax base by an estimated \$7.5-\$8 million in new development.
- The proposed development complements other City investment in the area.
- A completed sale will end the ongoing expenses and responsibilities associated with owning the property (insurance, taxes, liability, legal fees).

## Cons:

- The offer price may be less than the current market value.
- Approximately \$155,000 of taxpayer funds will be written off as a loan loss to the Housing Trust Fund
- An additional \$150,000 due to the Trust Fund will be deferred until homes are resold by the initial purchaser to a household below 80% of Area Median Income.
- The stated purpose of bidding on the property at auction was to protect the City Investment. The total City investment is \$604,000; this sale would realize protection of 75% of the total investment.
- A potential condemnation for access to the sewer easement would require additional cash resources, and the City's role in that process may be questioned.

The project directly supports the City's Strategic Operating Goals: (1) *Affordable*: The development proposal is supportive of the City's goal of providing safe and decent affordable housing units to the citizens of Asheville; and (2) *Sustainable*: The proposed project provides new housing units located near transit lines, higher urban development densities, and encourages higher standards of energy efficiency. The project also addresses the priorities of the Consolidated Strategic Housing & Community Development Plan by increasing the housing stock, providing affordable homeownership units, building high quality energy-efficient housing, and coordinating development with transportation and jobs.

The current balance in the Housing Trust Fund is \$210,776. Acceptance of the offer to purchase will increase the balance by \$300,000 upon closing and incrementally when houses are sold over time to non-income qualified buyers. The total value of the fund (appropriations plus interest income less administration and loan losses) is currently \$5,431,625. The total value of the fund will be decreased by approximately \$155,000 when the actual loan loss is recorded.

The proposed development on the subject property is new construction and is anticipated to add approximately \$7.5-\$8 million dollars in new development to the City tax base.

The Housing and Community Development Committee recommends City Council approve a resolution authorizing the Mayor of the City of Asheville to execute documents and convey to Asheville Area Habitat for Humanity by private sale the City's interest in the real property located on Pisgah View Road, upon approval of the City Attorney at a final sales price of \$450,000, of which \$300,000 is due and payable upon closing and the remaining \$150,000 to be applied as second mortgages to be held by individual homeowners as homes are completed and sold.

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

Vice-Mayor Newman said if that our plan was to sell this and get the highest market value. They were then approached by Habitat with a specific proposal and we thought that with

this proposal we would get a high percentage of our funds back sooner rather than later. The original purpose we made this loan to the developer was to encourage affordable housing, and he thinks this is a positive resolution while preserving most of the public investment. If this does not get approved, we will market it again and get as much value as we can.

In response to Councilman Russell, Mr. Stalling said that the Karnes site is a commercial listing site.

Mayor Bellamy was looking forward to getting this property back on the tax rolls. Also, the City did get 55 affordable single-family homes in our community. She was happy to be a partner with Habitat on this endeavor. She was also pleased to see the money being put back into the Housing Trust Fund for more affordable housing.

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

Vice-Mayor Newman moved for the adoption of Resolution No. 10-184. This motion was seconded by Councilman Davis and carried unanimously.

## **RESOLUTION BOOK NO. 33 – PAGE 179**

### **B. SIDEWALK UPDATE**

Director of Transportation Ken Putnam said that this is to update City Council on sidewalks within the City of Asheville including completed sidewalk projects, current sidewalk projects, and priority sidewalk projects prior to the East Asheville community meeting which is scheduled at the end of August.

Since the City of Asheville has more requests and needs for pedestrian facilities (sidewalks) than annual funding and staff resources can respond to, staff follows the recommended criteria included in the City of Asheville Pedestrian Plan (February 22, 2005) to prioritize projects. The city only has one surveyor and two Engineering Technicians that provide surveying and design services for all city departments.

According to information in the pedestrian plan, staff undertook a process of creating a sidewalk inventory and estimated that as of 1999 there were 132 linear miles of existing sidewalk (including state-maintained and city-maintained streets). Then in 2004, staff conducted a pavement condition rating survey (PCR) and through that process, estimated that there were 152 linear miles of existing sidewalk (including state-maintained and city-maintained streets). The pedestrian plan also identified about 108 linear miles of needed sidewalk linkages.

Staff has been working with March 2009 aerial photography over the past several months and to date, they have "mapped" about 165 linear miles of sidewalk (47 linear miles along state-maintained streets and 118 linear miles along city-maintained streets). This data confirms the data that is included in the pedestrian plan. Staff is also working towards creating a more accurate database for all future projects including tracking developer funded and constructed sidewalks to better track our progress.

As a part of that effort, staff has determined that during the past five fiscal years city funds and/or crews have been used to construct about 7.5 linear miles of new sidewalk at a total cost of about \$1,371,000 (As staff's research continues, the subject numbers will continually be fine tuned).

City crews are currently constructing a new sidewalk along the east side of Beverly Road connecting to an existing bus shelter including revising the shelter to be ADA compliant. The project also includes a new sidewalk along the north side of US 70 (Tunnel Road) from

Governor's View Road to Lynnstone Court and then to Avon Road if the available funds hold up. The North Carolina Department of Transportation has partnered with the city and they are fully funding and installing the pedestrian signals and crosswalks at the intersection of US 70 (Tunnel Road) and Beverly Road. This project was developed as a result of the public meeting that was held on April 19, 2010, at Bell Elementary School and a priority listing of potential pedestrian improvement projects from the neighborhood groups that were represented at the public meeting. The subject project has a preliminary budget of \$45,000 and when complete, it should increase the city's sidewalk inventory by about 1,200 linear feet.

A contract has been let to construct a new sidewalk along the north side of US 19-23 (Patton Avenue) from NC 63 (Leicester Highway) to Regent Park Boulevard. This project should be completed during November 2010 and when completed, it will increase the city's sidewalk inventory by about 4,800 linear feet.

As of July 1, 2010, available funds for new sidewalk construction total about \$274,000 including \$115,000 from the East Fee-In-Lieu-Of Fund, \$109,000 from the West Fee-In-Lieu-Of Fund, and \$50,000 from the CIP. Staff plans to spend the subject money during the next two fiscal years. Potential projects include, but are not limited to the following:

- US 70 (Tunnel Road), from SR 2032 (New Haw Creek Road)/Crockett Avenue to Avon Road – Total length = 3,400 linear feet +/- – Estimated Cost = \$102,000 +/- (Project is currently in the survey and design phase).
- US 70 (Tunnel Road), from US 74-A (South Tunnel Road) to SR 2032 (New Haw Creek Road)/Crockett Avenue.
- NC 191 (Brevard Road), from I-26 to I-40 – TIP Project # U-3601 – Estimated Cost = \$65,000 (Due to the NCDOT during FY 2011-12, project is currently under construction).

Given the city's limited resources, especially during the current economic climate, staff is committed to surveying, designing, and constructing new sidewalks in the most efficient manner possible including leveraging our resources with appropriate partners while making viable connections to existing infra-structure such as bus stops and/or shelters and community buildings, schools, parks, and libraries. Staff is currently looking at ways to revamp the CIP process and merging all of the approved master plans with the idea of putting together a realistic 5-year CIP plan.

The Pedestrian Plan identifies a priority policy and 6 criteria: (1) zoning jurisdiction; (2) proximity to schools, parks and community centers; (3) proximity to transit stops; (4) need linkages that complete a pedestrian thoroughfare or address a safety concern; (5) feasibility of construction; and (6) major thoroughfares and connector roads.

He asked for guidance of what Council would like him to present regarding sidewalks at the community meeting on August 31.

Mr. Putnam responded to various comments/questions from Council, some being, but are not limited to: is the 7.5 miles included in the 165 miles identified off the GIS maps; do we have a clear list of the top ten sidewalks we want to do based on available funding or does it continually shift based on engineering and other criteria; explanation of the \$274,000 amount for sidewalks; and when does the Bicycle/Pedestrian/Transit Master Plan overlays come together for review.

Mayor Bellamy felt a list of top sidewalks would be helpful. For the community meeting she felt it would be helpful to explain the criteria used for determining if a sidewalk is warranted by the number of vehicles per day; the goat path and how much of that is the state's responsibility and how much is the City's; and information on the partnerships of the City, e.g., the N.C. Dept. of Transportation. She said that on the community meeting agenda there will be an item for our strategic plan and how this all ties together. She felt we should have some recognition that we

can approve resolutions supporting the N.C. Dept. of Transportation making sidewalks a higher priority within our City.

In response to Mayor Bellamy, City Manager Jackson said that we are working with Congressman Shuler's Office to provide estimates for construction of a link between the A-B Community Christian Ministries facility and the VA Hospital.

At 8:03 p.m., Councilman Russell moved to excuse Councilman Davis from the remainder of the meeting. This motion was seconded by Councilman Smith and carried unanimously.

### **C. CAPITAL IMPROVEMENT PLANNING**

Administrative Services Director Lauren Bradley said that this is the consideration of scheduling a City Council Capital Improvement Planning Retreat in September 2010.

At the City Council retreat in January 2010, staff presented *Asheville 2010: A Financial Crossroads*, a paper that explored Asheville's financial structure in the context of meeting the community's expectations for services and capital improvements. Among other recommendations, the paper suggested that Asheville should begin to explore opportunities to diversify its revenue sources to achieve long-term capital investments, including exploring the feasibility of a bond program.

During the retreat, City Council updated its strategic plan for Fiscal Year 2010-2011 and included a goal to "explore alternatives for enhancing the city's long-term financial commitment to master plan implementation, infrastructure maintenance, capital improvements, and public facilities," with a specific objective to "explore the feasibility of a bond program now or in future years, and [to] learn more about financing options outside of a property tax increase." In order to move this initiative forward, staff is seeking City Council approval to schedule a Capital Improvement Planning Retreat in September to gain Council feedback on the strategy and timing of expanding the city's capital program.

A municipality's capital improvement program (CIP) is a primary tool for implementing goals and priorities to achieve community transformation. The CIP plans for the construction and maintenance of the city's water and storm drain systems, roads, sidewalks, greenways, bridges, government buildings and facilities, parks, and other major projects and purchases. A comprehensive capital improvement program provides a framework for identifying and prioritizing these projects, a schedule for implementation, and a plan for financing the portfolio.

Communities with advanced capital improvement planning programs establish defined and recurring processes to identify projects and secure funding, typically for a five-year period. Projects are identified and prioritized based on adopted master plans, needs assessments, citizen input and evolving community priorities. Funding policies that identify revenue sources, define how often the jurisdiction will pursue referenda and issue debt (biennially, every three years or every five years, for example), and how cash contributions (pay-as-you-go funding) will be used are established and adopted. Once a successful process is established, the jurisdiction repeats the capital improvement planning cycle as part of its annual budget process, and new debt is issued to fund emerging projects as old debt is retired.

Asheville has identified the need to enhance its capital improvement planning process and associated funding plans in order to meet the needs and expectations of a dynamic community. Asheville has a recent history of paying for capital needs through pay-as-you-go funding, meaning that most projects and improvements have been paid for on an annual cash basis. Project financing has been utilized on a small scale, case-by-case basis. The last successful General Obligation Bond referendum was passed in 1986 for street and sidewalk

improvements (\$17,000,000) and Pack Place improvements (\$3,000,000). This pay-as-you-go funding strategy has limited the size and scope of capital improvements the city has been able to make, particularly when compared to the scale of capital priorities identified in the city's adopted master plans.

The fiscal impact of planning a half-day retreat will be minimal. Any associated costs will be covered by the existing City Council budget for meetings and retreats.

Discussions surrounding a comprehensive capital improvement program can be complex, and shared vision and support at the City Council level will be essential for a successful CIP that includes referenda as a part of the financing plan. In order to give the subject matter the policy dialogue it requires, staff is recommending that City Council schedule a capital improvement planning retreat on September 28, 2010, or another preferable date. Staff would propose scheduling the retreat for at least a half day at an off-site location, similar to January's retreat held at Warren Wilson College.

To take the city's capital planning process to the next level, staff would use time at the retreat to seek City Council's input on how a five-year capital improvement program should take shape along with direction on what funding strategies Council is prepared to pursue. Staff would be prepared to provide more information about specific items including:

- An overview of CIP best practices from other cities;
- Background on the city's past progress with capital projects;
- A review of the city's financial strength and debt capacity;
- An overview of current, internally identified and prioritized capital projects, and;
- Options for a financing plan.

Staff would seek Council input and direction on:

- Defining the criteria by which capital projects are identified and prioritized;
- The prospect of establishing a Capital Improvement Planning Committee made up of community leaders and citizens;
- Seeking additional citizen involvement and input on the CIP, and;
- Scheduling and financing options for the CIP, among others.

After the retreat, it would be staff's goal to take City Council's input and develop a comprehensive Capital Improvement Program and associated policies for City Council adoption later in the fall 2010. The adopted program would serve as the roadmap for Asheville's capital planning cycle in FY 2011-2012 as well as future years.

This recommendation was brought forward to and endorsed by the City Council Finance Committee on July 27, 2010. In addition to moving forward with a retreat, the Finance Committee recommended that City Council delegate the task of planning the retreat and its agenda to the Finance Committee.

Councilman Russell felt that instead of the Finance Committee planning the retreat and its agenda, he felt it would be more appropriate to have an ad hoc committee of Council.

After a brief discussion of the members, Councilman Russell moved to schedule a half-day capital improvement planning retreat with said planning of the retreat, the date, and its agenda be developed by an ad hoc committee consisting of Mayor Bellamy, Councilman Bothwell and himself. This motion was seconded by Councilman Smith and carried unanimously.

#### **D. APPROVAL OF A WASTE STREAM REDUCTION PILOT PROGRAM**

Director of Public Works Cathy Ball said that this is the consideration of a motion approving a Waste Stream Reduction Pilot Program intended to test the feasibility of a variable-rate waste program model in Asheville.

In January 2010, City Council developed a strategic plan that included a goal to continue to make Asheville the southeastern leader in clean energy and environmental sustainability. A specific action item under this goal states that staff should look for ways to take the city's sustainability program to the next level, specifically by seeking ways to reduce city-wide solid waste.

As part of the City of Asheville's Sustainability Management plan, special attention was focused on solid waste. The plan recommended that Asheville increase its role as a state leader in sanitation and recycling with an emphasis on expanding recycling by developing a market-based incentive program.

Variable-rate waste programs provide citizens with an economic incentive to reduce the waste they throw away because garbage bills increase as the volume of waste increases. Variable-rate pricing is being adopted in thousands of communities to create incentives for increased recycling in the residential sector.

Although above average when compared to other cities in the state, recycling over the last several years has been essentially flat in the City of Asheville. In order to be progressive stewards of our recycling service and increase waste diversion, staff has been investigating a variable-rate waste program that would include the benefit of single-stream recycling.

Analysis: The Waste Stream Reduction report outlines a variable-rate waste program model as well as a proposed pilot study (page 5) that will assess the viability of implementing such a program within the City of Asheville. The pilot program will involve 572 homes in three neighborhoods and will incorporate a detailed communication and outreach component. Analysis during the pilot study will provide additional details of the financial impact both to residents and the city which will in turn form baseline data for options to move toward a full or partial cost recovery model.

Pros:

- Reduction of land filled solid waste
- Increased awareness of recycled material for residents in pilot area
- Supports Council's sustainability goals

Con:

- Cost per month per household may increase if the single stream program is implemented citywide.

This action complies with City Council's Strategic Operating Plan in that Asheville will be the southeastern leader in clean energy and environmental sustainability by expanding community education programs and implementing ways to reduce city-wide solid waste.

Costs for the pilot program is \$5,000, which will be funded through already budgeted funds in the Public Works Department.

City staff recommends City Council approve a Waste Stream Reduction Pilot Program. Results of the pilot program and recommendations for considering program expansion would be brought forward for City Council consideration in late 2010 or early 2011.

The pilot program will consist of (1) 572 homes pilot 95 gallon rollout recycle carts (a) Burton Street; (b) Norwood Park; and (c) Park Avenue; (2) single stream recycling; (3) bi-weekly collection; (4) 90-day pilot; and (5) October 1, 2010, to December 31, 2010.

The goals will be to reduce solid waste to landfill; more convenient for residents to recycle; provide data on the increase in amount of material recycled; evaluate effectiveness of the program; evaluate operation challenges with collection; and expand program in July 1, 2011.

Data collection will include a (1) increase in recycling; (2) decrease in solid waste; (3) participation in program; (4) specific hurdles to participation; (5) operational changes needed to facilitate program; and (6) willingness of customers to use varying can sizes with varying rates for trash collection.

The communication plan will consist of (1) pre-survey; (2) post-survey; (3) 90-day pilot for data collection purposes; (4) community meetings; (5) door hangers; and (6) Channel 11, press releases and social media.

Cost of pilot program is (1) \$5,000 October 1, 2010, to June 30, 2011 (cost-plus to be recovered in reduced tipping fees; and (2) data collection for 3 months but customer will retain services until June 30, 2011, or full city-wide implementation date.

Future considerations (1) financially incentivize recycling; (2) implement a city-wide "variable rate waste" program; (3) utilize various sizes of trash containers; (4) evaluate the weekly/bi-weekly service; (5) city-wide implementation goal of July 1, 2011; and (6) Phase I of multi-phased approach to increase recycling.

City staff recommends approval of a waste stream reduction pilot program.

Mayor Bellamy felt we should have a street in east Asheville included in the pilot program.

In response to Councilman Russell, Ms. Ball said that the City pays the County \$1.4 Million a year in tipping fees.

Councilman Bothwell suggested that when staff is collecting data, they should ask if people would be willing to go bi-weekly on their garbage collection.

It was the consensus of Council to approve a Waste Stream Reduction Pilot Program.

**E. RESOLUTION NO. 10-185 - RESOLUTION APPOINTING MEMBERS TO THE CIVIC CENTER COMMISSION**

Vice-Mayor Newman said that (1) the term of Mr. John Broadbooks expired on June 30, 2010; (2) Mr. J.L. Thompson has resigned as a member of the Civic Center Commission, thus leaving an unexpired term until June 30, 2011; and (3) Ms. Elizabeth Jones has resigned, thus leaving an unexpired term until June 30, 2011.

At the July 27 Council meeting, it was the consensus of Council to interview Dan Breneman, Bill Jones, James Richards, Carol Ann McLendon and Saul Chase. City Clerk Burleson was unable to make contact with Mr. Breneman or Mr. Chase to see if they were interested in being interviewed.

Vice-Mayor Newman moved to (1) appoint Bill Jones to serve a three year term, term to expire July 1, 2013; (2) appoint Carol Ann McLendon to fill the unexpired term of Mr. Thompson, term to expire July 1, 2011; and (3) appoint James Richards to fill the unexpired term of Ms. Jones, term to expire July 1, 2011. All terms are until their successors have been appointed. This motion was seconded by Councilman Bothwell and carried unanimously.



Vice-Mayor Newman said that the Boards & Commissions Committee discussed County residents serving on City boards and it is the sense of the Committee to continue our policy of applicants being City residents. However, it was determined that it would be desirable to have County representation on two of our boards – the Civic Center Commission and the Transit Commission.

When agreement was expressed amongst Council, Vice-Mayor Newman moved to instruct the City Attorney to prepare an ordinance amendment (2) to the Civic Center Commission expanding it's membership by two individuals which will be appointed by the Buncombe County Commissioners; and (2) to the Transit Commission ordinance membership make-up to allow the Buncombe County Commissioners to appoint one member to the existing 7 member board when the next vacancy occurs. This motion was seconded by Councilman Russell and carried unanimously.

**RESOLUTION BOOK NO. 33 – PAGE 180**

**F. RESOLUTION NO. 10-186 - RESOLUTION APPOINTING A MEMBER TO THE CIVIL SERVICE BOARD**

Vice-Mayor Newman said that Mr. John Miall has resigned as a member of the Civil Service Board, thus leaving an expired term until May 21, 2011.

At the July 27 Council meeting, it was the consensus of Council to interview Daniel Bradshaw and Jacquelyn Hallum. Ms. Hallum was unable to attend the interview date and time; however, she expressed interest on the Board.

After Council spoke highly of the candidates, Daniel Bradshaw received no votes and Jacquelyn Hallum received 5 votes. Therefore, Ms. Hallum was appointed as a member to the Civil Service Board, to serve the unexpired term of Mr. Miall, term to expire May 21, 2011, or until her successor has been appointed.

**RESOLUTION BOOK NO. 33 – PAGE 181**

**G. BOARDS & COMMISSIONS**

**RESOLUTION NO. 10-187 – RESOLUTION APPOINTING A MEMBER TO THE AMERICAS WITH DISABILITIES ACT COMPLIANCE COMMITTEE**

Vice-Mayor Newman said that the terms of William Madison and Kelly Rowe Rodriguez, as members on the Americans with Disabilities Act Compliance Committee (both representing the disabled community) expired on August 22, 2010.

The following candidate applied for the position: Mr. Kelly Stamey.

At the Boards & Commissions Committee recommendation, Vice-Mayor Newman moved to reappoint Mr. William Madison (representing the disabled community) to the Americans with Disabilities Act Compliance Committee for an additional three-year term, term to expire August 22, 2013, or until his successor has been appointed. This motion was seconded by Councilman Smith and carried unanimously.

It was also the recommendation of the Boards & Commissions Committee and the consensus of Council, to postpone appointment of the second disabled representative seat (vacated by Ms. Rodriguez) until there is a need for the Committee to meet. It was noted that should there be a need for the Committee to meet the existing Committee can function.

At the suggestion of Mayor Bellamy, it was the consensus of Council for the Boards & Commissions Committee look at the potential of folding the Americans with Disabilities Act Committee's responsibilities into the Asheville-Buncombe Fair Housing Commission. City Attorney Oast said that he would research this issue.

**RESOLUTION BOOK NO. 33 – PAGE 182**

**RESOLUTION NO. 10-188 – RESOLUTION APPOINTING MEMBERS TO THE RIVER DISTRICT DESIGN REVIEW COMMITTEE**

Vice-Mayor Newman said that the terms of Terry Meek (at large member), Pattiy Torno (owner of property within the River District), Rod Baird (member of the RiverLink Board of Directors), Marty Black (owner of property within the River District), and Jane Mathews (design professional) as members on the River District Design Review Committee expire on September 1, 2010.

The following candidates applied for the positions: Mr. Philip Ellis and Mr. Carleton Collins.

At the Boards & Commissions Committee recommendation, Vice-Mayor Newman moved to reappoint Terry Meek (at large member), Rod Baird (member of the RiverLink Board directors) and appoint Mr. Carleton Collins (design professional) to each serve a three-year term respectively, or until their successors have been appointed. This motion was seconded by Councilman Bothwell and carried unanimously.

It was the consensus of Council to re-advertise for the two positions of owners of property within the River District. Mayor Bellamy suggested reviewing the Riverfront Redevelopment Commission's resource list for an applicable applicant and ask if they would be interested in serving on this Committee.

**RESOLUTION BOOK NO. 33 – PAGE 183**

**BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY**

Vice-Mayor Newman said that the term of Mr. Ron Storto (owner or operator of a hotel, motel or other taxable tourist accommodation with 100 or fewer rental units) as a member on the Buncombe County Tourism Development Authority expires on August 30, 2010.

The following candidates applied for a position on the Buncombe County Tourism Development Authority: Jared Breneman, Carol Ann McLendon and David Nutter.

At the recommendation of the Boards & Commissions Committee, it was the consensus of Council to delay consideration of this appointment until a confirmation is received that Mr. Ron Storto continues to be an eligible appointment.

**RESOLUTION NO. 10-189 – RESOLUTION APPOINTING MEMBERS TO THE ASHEVILLE-BUNCOMBE HISTORIC RESOURCES COMMISSION**

Vice-Mayor Newman said that the terms of Marsha Shortell and Suzanne Jones, as members on the Asheville-Buncombe Historic Resources Commission, expired on July 1, 2010. In addition, two vacancies exist from Mr. Todd Williams (term to expire July 1, 2010, and Mr. Brad Brock, term to expire July 1, 2012).

The following candidates applied for a position on the Historic Resources Commission: Richard Fast, Susan West, Amanda Warren, E. Ashley Black, Jeremy Gillespie, Bill Allison and David Nutter.

City Council interviewed Ms. Amanda Warren and Ms. E. Ashley Black on February 23, 2010.

At the recommendation of the Boards & Commissions Committee, Vice-Mayor Newman moved to appoint Ms. Amanda Warren to fill the unexpired term of Mr. Brock, term to expire July 1, 2010; appoint Ms. E. Ashley Black to a three-year term, term to expire July 1, 2013, and appoint Mr. David Nutter, term to expire July 1, 2013 – all terms until their successors have been appointed. This motion was seconded by Councilman Bothwell and carried unanimously.

In addition, after discussion at the Boards & Commissions Committee, Vice-Mayor Newman said that the Committee still feels that the Historic Resources Commission is too large (12 members) and suggested the membership size be re-considered to be further reduced next summer.

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#### **VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:**

Mayor Bellamy encouraged all citizens to attend the North Carolina Dental Society free clinic on August 13 and 14, 2010, on the campus of the A-B Tech Community College to help meet the dental needs of our residents.

Councilman Russell congratulated Mr. Pat Thompson who qualified for the Senior U.S. Open.

Councilman Bothwell updated the Council on the volunteer sidewalk clean-up efforts.

Rev. Christopher Chiaronmonte questioned Council about the process to get unbanned from City parks. Mayor Bellamy asked City Manager Jackson to provide Council with the process in writing in order to provide it to Rev. Chiaronmonte.

Rev. Scott Rogers, representing the Asheville-Buncombe Community Christian Ministries (ABCCM), provided Council with the 2009 summary of the ABCCM homeless services. He said that the ABCCM provides homeless services in multiple settings which address: (1) homeless prevention and rapid re-housing; (2) day shelter; (3) shelter: emergency and transitional housing plus permanent supportive housing; (4) homeless education, training and employment; (5) incarceration services; and (6) medical, dental and pharmacy care. He said that the ABCCM is contributing the resources through a combination of church funding, community funds and government funds for a total resource amount of \$2,628,000.

The following claims were received by the City of Asheville during the period of July 23 – August 5, 2010: Steven K. Stearns (Transit), Amanda Walker (Streets), Don Clayton (Water), Skyland Fire Department (Fire), Gregg Goodman (Water), Virginia Schmidt (Water), Cool Mountain Construction (Water), Progress Energy (Water), AT&T (Water), Darlene Hamlin (Parks & Recreation), Robert Sain (Water) and Casey R. Silvers (Fire). These claims have been referred to Asheville Claims Corporation for investigation.

#### **VIII. ADJOURNMENT:**

Mayor Bellamy adjourned the meeting at 8:44 p.m.

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CITY CLERK

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MAYOR