

Tuesday – April 12, 2011 – 3:00 p.m.  
First Floor North Conference Room

#### Worksession

Present: Mayor Terry M. Bellamy, Presiding; Vice-Mayor Brownie W. Newman; Councilman Cecil Bothwell; Councilman Jan B. Davis; 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

#### **Enterprise Funds**

Director of Administrative Services Lauren Bradley said that she would not review all the City's Enterprise Funds, but just those that have policy considerations. The other Enterprise Fund's expenditures and revenues expect to be flat for next fiscal year.

She then briefly reviewed the Water Rate Study, Parking Fund and Transit Fund.

Water Rate Study: Rate Structure Modifications: include (1) Raise commercial and multi-family volumetric rates relative to single family (a) Provide more equitable cost recovery; and (b) Initial target – 85% of Residential rate for Multi-Family and Small Commercial; (2) Separate Irrigation from Residential rate (a) Targets true elective usage; and (b) Raise to 120% of Residential rate in FY 2013; and (3) Raise Wholesale rates to keep up with overall rate increases.

Using a chart, she explained the FY 11-12 recommendation for the water rates. There is no change in the residential customers, but increases to the commercial charges, multi-family charges and wholesale customers.

Parking Fund Outlook: (1) Parking revenues are projected to exceed expenses by \$358,740 in FY 11-12 (a) Includes \$500,000 transfer to the Transit Fund; and (b) Includes transfer of \$406,260 in operating funds to parking capital improvements; and (2) FY 12-13 projection for revenues over expenditures is \$275,000 (includes full debt service for 51 Biltmore and \$500,000 transfer to Transit Fund). She then showed a chart of parking capital improvements.

Transit Fund Outlook: (1) Loss of \$600,000 in State funding; partially off-set by decreases in expenditures (a) Increases General Fund transfer by \$350,000 for a total of approximately \$985,000; (2) Budgeting for a slight increase in fuel costs despite efficiencies gained from hybrids and new diesels; (3) Union contract under negotiation this summer; and (4) RFP for management transit services may increase costs. She then showed a chart of transit capital improvements.

Golf Fund Outlook: (1) Current expenditure over revenue projections would require a \$150,000-\$200,000 transfer from the General Fund; and (2) Identifying opportunities for cost savings and revenue enhancements to minimize or avoid a General Fund transfer in FY 11-12 (a) Recommendations brought back to Council with the proposed FY 11-12 budget. The Recreation Board moved for staff to look at options to operate Golf Course with no general fund transfer and that they look at an RFP for operation of Golf Course by outside vendor.

Ms. Bradley and other City staff responded to various questions/comments from Council, noting that some questions which could not be readily answered would be provided to Council. Questions/comments made, but not limited to, the following: with the loss of state funding over

the past few years, what is the trend of the Transit Fund; why was the transit route that the new MAHEC building on Hendersonville Road turned down by the Transit Commission; what are the benefits of the Automated Vehicle Location System for buses; request for a list of transit eliminated route deviations; and request for additional information on the irrigation for the back 9 at the Golf Course.

### **General Capital Improvement Program**

Mr. Bradley then reviewed the General Capital Improvement program five year overview and program detail for FY 11-12.

Capital Improvement Planning Categories include: (1) Multi-modal: Streets, sidewalks, greenways, pedestrian safety projects, Transit system investments; (2) Infrastructure: Bridges, retaining walls, sewer projects, traffic signal poles, infrastructure associated with water lines; (3) Buildings & Facilities: Building and facility maintenance, roof replacements, recreation center maintenance, park maintenance, Civic Center renovations, Urban Trail maintenance; (4) Equipment & Technology: Radio infrastructure and radio replacements, software upgrades and replacements; and (5) Vehicle Replacement: Vehicles and other rolling stock.

She showed charts of the CIP 5-year history (2007 – 2011) which totaled \$41.1 million over five years; the CIP 5-year projection (2012-2016) which totals \$59.45 million over five years; the CIP program for FY 2011-12; the CIP revenues for FY 2011-12 which totals \$17.55 million in FY 11-12.

Multi-Modal: Street and Pedestrian Safety Program (1) Street Resurfacing: \$1.02 million, 5.90 miles resurfaced (a) Compared to FY 10-11: 30% increase in funding and 13% increase in linear feet resurfaced; (2) Street rebuilds: \$293,000 (Montford Avenue project) (a) Compared to FY 10-11 - No street rebuild projects were funded in the last five-year CIP; (3) Pedestrian Safety: \$35,000 - Haywood Street and Montford Avenue ped signals and crosswalks; (4) Sidewalk maintenance: \$250,000, 1.68 miles maintenance work (a) Compared to FY 10-11: Funding remains at FY 10-11 levels and \$811,000 in sidewalk maintenance personnel and related costs budgeted in operating budget; (5) New sidewalk construction: \$1.8 million, 1.82 miles new sidewalk (a) Compared to FY 10-11: (i) Five times the funding for in-house construction materials; (ii) Nearly three times the linear feet output; and (iii) Addition of \$1.3 million in debt financing yielding 7,500 linear feet of new sidewalk; (6) Total General Fund sidewalk program: \$2,861,000 - Compared to FY 10-11: Nearly double total funding for sidewalk program; (7) Greenway development: \$1.45 million, 1.5 miles (a) Debt financing used to fund construction of the Beaucatcher/Overlook greenway; and (b) Land acquisition funds for Town Branch greenway; and (8) Transit projects: \$450,000 - Security cameras on buses, Automated Vehicle Location System, bus shelter replacement, and system signage.

Infrastructure (1) Infrastructure associated with water lines: \$660,224 (a) Completion of the Azalea Road project funding, South Lexington and Melrose improvements; (2) Sewer projects: \$130,000, Airport Road (a) Opportunity to recover costs through MSD's sewer extension policy; (3) Retaining wall projects: \$300,000, Cherokee/Sunset; (4) Bridge replacement: \$900,000, Wild Cherry; and (5) Traffic signal metal pole replacements: \$120,000, 2 intersections.

Building and Facilities Program: (1) City Hall Exterior Repairs: \$5,500,000; (2) Roof replacements: \$200,000, 4 fire stations; (3) Facility maintenance projects: \$805,309 (a) Compared to FY 10-11: No facility maintenance or roof projects were funded and FY 11-12 projects include Municipal Building chiller replacement, HVAC conversion, Fleet building ventilation system; (4) General Fund contribution to Civic Center renovations: \$300,000; (5) Public Art (a) maintenance: \$40,000; and (b) acquisitions: \$47,807 (represents 1% of eligible projects over five year CIP); (6) Recreation center maintenance: \$100,000 (a) Stephens- Lee maintenance, ADA improvements in all centers; and (7) Park maintenance: \$200,000 (a) Playground replacement, court resurfacing.

Equipment, Technology and Vehicle Replacement: (1) Public safety radio replacements: \$200,000; (2) Development Services Center software replacement: \$125,000; and (3) Vehicle replacement: \$2,610,000 (a) Compared to FY 10-11: 50% increase in funding and nearly \$700,000 dedicated to alternative fuel vehicles (i) \$550,000 matching funds for Clean Cities grant; and (ii) 1.3% reduction in fleet carbon footprint.

Green CIP: (1) Achieve a 4% carbon footprint reduction each year for 20% total reduction over five years; and (2) Funded by "revolving" utility savings generated by energy efficiency projects for investment into additional projects (a) Streetlight retrofit project provides significant utility savings for five-year Green CIP; and (b) \$900,000 projected for second phase of streetlight retrofit project in FY 11-12.

Unfunded Capital Projects: (1) City Projects (a) Scaling up multi-modal investments, facility maintenance program, and vehicle replacement; (b) Radio system infrastructure upgrade: \$9,000,000 (i) Will be considered in future CIP planning; and (c) Montford Fire Station: \$1,000,000 (a) Potential to be budgeted in FY 13-14 if Sandhill Fire Station does not move forward; and (2) Community Projects (a) Process for considering other community projects - Pack Place capital needs, multi-modal projects, etc.

Throughout discussion, Ms. Bradley and other City staff responded to various questions/comments from Council, noting that some questions which could not be readily answered would be provided to Council. Questions/comments made, but not limited to, the following: for the past CIP five year history, what is the cost savings in operations as a result of the capital investments; explanation of street rebuilds vs. street resurfacing; explain selection of street rebuilt of Montford Avenue; are bike lanes included in street rebuilds; where is Dr. Martin Luther King Jr. Drive and Stratford Road on the list for resurfacing or rebuilding; what is the length on Montford Avenue that will be rebuilt; status of Safe Rides to School program; request to look at Long Shoals Road area for Safe Rides to School project; request to have information relayed to residents about sidewalks on Overlook Road; request for map showing alignment of the Town Branch greenway, along with breakdown of financial costs; information on whether Beaucatcher/Overlook greenway and Town Branch greenways can be delayed; request for information on the mix of alternative fuels; are there any plans to replace current vehicles with electric vehicles; where is the Sand Hill Fire Station to be located if the Biltmore Lake annexation proceeds; explanation of why public service radios are necessary opposed to use of cellular phones; request for some alternatives for the \$9,000,000 radio system infrastructure update in the future CIP planning; has there been any thought on what the City will do with the W.C. Reid Center if the Housing Authority grant is not received; does the Asheville Police Department evidence room have security cameras; are the needs of the Grove Arcade Building part of the 5-year CIP; and request that the Finance Committee review in July what the exploratory first steps would be and what projects might be part of a bond referendum, providing Council with a realistic timeframe.

It was the consensus of Council to amend Public Art Board policy guidelines to include that any public art purchased should be from regional or local artists.

Ms. Bradley noted that she has provided Council with the Strategic Operating Plan with the projected progress and cost implications per Council's request. If Council had no objections, she would place the adoption of the Strategic Plan on the April 26 agenda for adoption.

Ms. Bradley also provided Council with a memorandum responding to action items that were identified by City Council during the March 22, 2011 budget work session.

Regarding WNC Community Media Center (formerly URTV), Ms. Bradley explained the City's funding for that program of 60/40 split of PEG fees. The City has budgeted \$30,000 for next fiscal year; however, they are requesting \$115,000 or they will have to close their doors at

the end of this month. The City was not notified of their closing except from a press release they issued. It was the consensus of Council to have (1) City Attorney Oast review the management contract which expires at the end of 2011 for the clause that allows the City to perform a financial and/or equipment audit and that said audits be handled as quickly as possible; and (2) Ms. Bradley contact the executive director and the board chair and state that the City has budgeted \$30,000 and with whatever the County budgets can they come up with a budget and a proposal that meets the funding available to them. She was also directed to ask URTV management for a letter in writing that they will close at the end of April, 2011, noting that there will be no payment made in May of 2011.

At 4:37 p.m., Mayor Bellamy adjourned the budget briefing.

Tuesday – April 12, 2011 - 5:00 p.m.

#### Regular Meeting

Present: Mayor Terry M. Bellamy, Presiding; Vice-Mayor Brownie W. Newman; Councilman Cecil Bothwell; Councilman Jan B. Davis; Councilwoman Esther E. Manheimer; 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: None

#### **PLEDGE OF ALLEGIANCE**

Mayor Bellamy led City Council in the Pledge of Allegiance.

#### **INVOCATION**

Mayor Bellamy gave the invocation.

#### **I. PROCLAMATIONS:**

##### **A. EMPLOYEE RECOGNITIONS**

City Manager Jackson recognized (1) Public Works Director Cathy Ball and Stormwater Division of Public Works Employees: McCray Coates, Ray Tracy, Chuck Watson, Ric Ledford, Monte Clampett, Danny Gibson, Arthur Hensley, Woody Ledford, John Fly, Toby Shelton, Stephanie O'Conner and Keisha Lipe for their work on the 2010 Award for Large Sedimentation and Erosion Control Program. The City of Asheville stormwater services division has worked very hard to provide great customer services to the citizens of Asheville by working closely with design professionals, contractors, developers and private citizens to reduce loss of sediment from construction sites. This sedimentation could potentially enter our streams. City staff has provided the community with material to update the citizens on the changes in our new ordinances. Following an audit performed by NCDENR, the City of Asheville was awarded the Large Program of the Year for sedimentation and erosion control. To be considered as a large program, dedication of 3 or more employees to the erosion and sediment control efforts is required. The selection of the large program of the year begins with a recommendation from the local regional engineer for NCDENR. This recommendation is then voted on by all the NCDENR regional engineers based on work performance; and (2) Senior Police Officer Louis Tomasetti and Senior Police Officer Brandon Morgan for receiving their Advanced Law Enforcement Certificate. In accordance with the criteria established by the North Carolina Criminal Justice Education and Training Standards Commission, Senior Police Officers Louis Tomasetti and Brandon Morgan were approved for their Advanced Law Enforcement Certificate by a vote of the full Commission at their last meeting. The Commissions Professional Certificate Program is

designed to reward and recognize officers who continually strive to better themselves professionally, by attending various schools and training sessions, above and beyond what is currently mandated by the State of N.C. Officers must also have several years of full-time experience as well. The certificate is the highest such honor awarded by the State, and recognizes education, training, and experience by the recipient.

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.

**B. PROCLAMATION PROCLAIMING APRIL AS “CHILD ABUSE AWARENESS MONTH”**

Mayor Bellamy read the proclamation proclaiming April, 2011, as "Child Abuse Awareness Month" in the City of Asheville. She presented the proclamation to Mr. Bill McGuire, representing Child Abuse Prevention Services Inc., who briefed City Council on some activities taking place during the month. Ms. Tammie Shook, representing the N.C. Dept. of Social Services Child Protection Services Division, provided Council with a "Pinwheel for Protection."

**C. PROCLAMATION PROCLAIMING APRIL AS “PARKINSON DISEASE AWARENESS MONTH”**

Mayor Bellamy read the proclamation proclaiming April, 2011, as "Parkinson Disease Awareness Month" in the City of Asheville. She presented the proclamation to Mr. Dick Poore, President of the Chapter of the American Parkinson's Disease Association, and Mr. Jim Hall, who briefed City Council on some activities taking place during the month.

**D. PROCLAMATION PROCLAIMING APRIL 17-23, 2011, AS “CLEANING FOR A REASON WEEK”**

Vice-Mayor Newman read the proclamation proclaiming April 17-23, 2011, as "Cleaning for a Reason Week" in the City of Asheville. He presented the proclamation to Ms. Karan Walton, from Tidy Environments Janitorial Service Inc., who briefed City Council on some activities taking place during the week of Cleaning Homes for Women with Cancer.

**E. PROCLAMATION PROCLAIMING APRIL AS “LANDSCAPE ARCHITECTURE MONTH”**

Vice-Mayor Newman read the proclamation proclaiming April, 2011, as "Landscape Architecture Month" in the City of Asheville. He presented the proclamation to Ms. Stephanie Pankiewicz, NCASLA Mountain Section Chair, who briefed City Council on some activities taking place during the month.

**F. PROCLAMATION PROCLAIMING APRIL 10-16, 2011, AS “NATIONAL VOLUNTEER WEEK”**

Mayor Bellamy read the proclamation proclaiming April 10-16, 2011, as "National Volunteer Week" in the City of Asheville. She presented the proclamation to Ms. Sarah Wohlmuth the Director of Hands On Asheville, United Way's Volunteer Center, who briefed City Council on some activities taking place during the week.

**RECOGNITION OF RECIPIENTS OF GOVERNOR'S AWARD FOR VOLUNTEER SERVICE**

Mayor Bellamy said that National Volunteer Week is a time for us to stop and think about what volunteers contribute to the efforts of local government, non-profits and faith-communities to

improve the lives of our citizens. In addition to proclaiming this week National Volunteer Week, Mayor Bellamy took time to recognize 2 groups of local volunteers who have received special recognition for their efforts over the past year. These groups are the Buncombe County recipients of the 2011 Governor's Award for Volunteer Service.

The first group is made up of the 30 students of the 2011 City of Asheville Youth Leadership Academy who earned their nomination for their involvement in over 25 volunteer projects that include packing food at MANNA, preparing dinners for the residents of the ABCCM Women's Shelter, planting trees along Livingston Street, and tutoring children at the I Have a Dream program, among others. Ms. Erika Germer, CAYLA program Coordinator introduced the students.

Mr. Everett Clark, Rev. Eddie Morgan and the Crossroads Team from the First Baptist Church were the other Buncombe County nominees. They were nominated for their work over the past five years to support members of our community who are experiencing homelessness. The Crossroads Team has worked with the Asheville-Buncombe Homeless Initiative and the Veterans Administration to co-host the VA Stand Down and Project Connect. In addition, their support for people experiencing homelessness at the First Baptist Church has created a safe and welcoming space, offering regular outreach & meals to people experiencing homelessness, space for women with the Room at the Inn shelter, day-time activities for men staying at the Veterans Quarters.

## **II. CONSENT AGENDA:**

- A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON MARCH 22, 2011; AND THE COMMUNITY MEETING HELD ON MARCH 29, 2011**
- B. RESOLUTION NO. 11-65 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE LICENSE AGREEMENT WITH BELL ATLANTIC MOBILE OF ASHEVILLE INC. FOR ADDITIONAL ANTENNAS AND EQUIPMENT AT 57 CRESTWOOD DRIVE, ARDEN, N.C.**

Summary: The consideration of a resolution authorizing the City Manager to execute an amendment to the License Agreement between Bell Atlantic Mobile of Asheville, Inc. and the City of Asheville for additional antennas and equipment at 57 Crestwood Drive, Arden, North Carolina.

The City of Asheville owns and operates a telecommunications tower located on property at 57 Crestwood Drive in Arden. In March 2009, Asheville City Council authorized the lease of tower space and adjacent ground space to Bell Atlantic Mobile of Asheville, Inc. At this time, Bell Atlantic has made a request to increase the number of antennas located on the tower and increase the ground space lease area in order to improve service to their cellular customers.

Currently, Bell Atlantic Mobile of Asheville, Inc. operates 9 antennas with 9 coax lines at the 90 foot elevation of the tower. The request includes increasing the number of antennas to 12 total at the 90 foot elevation, with 12 corresponding coax lines. The current ground lease area measures approximately 437 square feet; this proposed amendment would increase the ground lease area by 3 square feet in order to accommodate one additional cabinet.

A third party vendor of Bell Atlantic, Vertical Solutions, has performed a structural engineering analysis of the tower with the proposed loading, and has certified that tower can accommodate this additional loading. This property also contains a water reservoir, and staff has confirmed with Water Resources that this request does not impose any conflict in current water operations at this site.

In order to compensate for this additional loading, Bell Atlantic has offered to increase their current rental rate by \$1000 for a total of \$33,448 per year with 4% annual increases. Staff has reviewed this proposed rate increase and found it to be representative of fair market value for this type of installation.

This action complies with the City Council Strategic Operating Plan in that strategic tower asset management presents the City with revenue enhancements. These revenue enhancements can help the City's telecommunications operations become more sustainable and fiscally responsible.

Pros:

- Enhanced revenue through the license fee income
- Maximized vacant space on existing tower infrastructure

Con:

- None

Revenue from the rental of tower space at the 57 Crestwood Drive location is recorded in a capital project designated to build funding for maintenance and the eventual replacement of the City's telecommunications towers. The additional revenue from this amendment to the license agreement with Bell Atlantic Mobile of Asheville will be recorded in that project. There is no impact to the City's General Fund budget.

City staff recommends City Council adopt a resolution authorizing the City Manager to execute an amendment to the license agreement with Bell Atlantic Mobile of Asheville, Inc. on behalf of the City of Asheville.

Ms. Nikki Reed, Real Estate Manager, responded to Councilman Bothwell's question regarding the price.

**RESOLUTION BOOK NO. 33 – PAGE 408**

**C. RESOLUTION NO. 11-66 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE ASHEVILLE EARTH DAY AND HEALTHY KIDS DAY EVENT ON APRIL 16, 2011**

**RESOLUTION NO. 11-67 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE ALL GO WEST EVENT ON APRIL 23, 2011**

**RESOLUTION NO. 11-68 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE BIG LOVE FEST EVENT ON MAY 1, 2011**

**RESOLUTION NO. 11-69 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE MOUNTAIN SPORTS FESTIVAL ON MAY 27, 28 AND 29, 2011**

**RESOLUTION NO. 11-70 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE BEER CITY FESTIVAL ON JUNE 4, 2011**

**RESOLUTION NO. 11-71 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT DOWNTOWN AFTER 5 EVENTS ON MAY 20, JUNE 17, JULY 15, AUGUST 19 AND SEPTEMBER 16, 2011**

**RESOLUTION NO. 11-72 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE ASHEVILLE VEGFEST ON AUGUST 7, 2011**

**RESOLUTION NO. 11-73 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE GOOMBAY FESTIVAL ON AUGUST 26, 27 AND 28, 2011**

**RESOLUTION NO. 11-74 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE CLIPS OF FAITH BEER AND FILM TOUR ON SEPTEMBER 9, 2011**

Summary: The consideration of a resolution making provisions for the possession and consumption of malt beverages and/or unfortified wine at the Asheville Earth Day & Health Kids Day event on April 16, 2011; All Go West on April 23, 2011; the Big Love Fest on May 1, 2011; the Mountain Sports Festival on May 27, 28 & 29, 2011; the Beer City Festival on June 4, 2011; the Downtown After 5 outdoor special events in 2011; the Asheville VegFest on August 7, 2011; the Goombay Festival on August 26, 27 & 28, 2011; and the Clips of Faith Beer and Film Tour on September 9, 2011.

- The Lake Eden Arts Festival in conjunction with Mountain Roots Management has requested through the City of Asheville Development Services Center that City Council permit them to serve beer and/or unfortified wine at the Asheville Earth Day & Healthy Kids Day and allow for consumption at this event.

Asheville Earth Day & Healthy Kids Day will be held on Saturday, April 16, 2011, from 11:00 a.m. to 10:00 p.m. within the boundaries of Pack Square Park's Roger McGuire Green, Reuter Terrace, Vance Median and Raised Lawn areas including Spruce Street between the intersections of South Pack Square & College Street, North Pack Square between the intersections of Biltmore Avenue and South Pack Square, and within the City Hall/Courthouse Parking Lot, with alcohol specifically limited to the designated areas as referenced on the accompanying site maps, limited to the hours of 2:00 p.m. to 10:00 p.m.

- Dogwood Alliance in conjunction with Yellow Dog Entertainment, LLC has requested through the City of Asheville Development Services Center that City Council permit them to serve beer and/or unfortified wine at the All Go West Festival and allow for consumption at this event.

The All Go West Festival will be held on Saturday, April 23, 2011, from 12:00 p.m. to 10:00 p.m. within the boundaries of Westwood Place & Waynesville Ave.

- Just Economics has requested through the City of Asheville Development Services Center that City Council permit them to serve beer and/or unfortified wine at the Big Love Fest and allow for consumption at this event.

The Big Love Fest will be held on Sunday, May 1, 2011, from 1:00 p.m. to 8:00 p.m. within the boundaries of Pack Square Park's Roger McGuire Green, Reuter Terrace,



Vance Median and Raised Lawn areas including South Market Street between the intersections of South Pack Square and College Street, North Pack Square between the intersections of Biltmore Avenue and South Pack Square, South Pack Square between the intersections of Biltmore Avenue and South Market Street and within the City Hall/Courthouse Parking Lot.

- Mountain Sports Festival, Inc. has requested through the City of Asheville Development Services Center that City Council permit them to serve beer and/or unfortified wine at the Mountain Sports Festival and allow for consumption at this event.

The component of the Mountain Sports Festival requesting alcohol will be held on Friday, May 27, 2011, from 5:00 p.m. – 10:00 p.m., Saturday, May 28, 2011 from, 10:00 a.m. – 10:00 p.m. & Sunday, May 29, 2011, from 12:00 p.m. to 6:00 p.m. within the boundaries of Carrier Park, as per the event area limits referenced on the accompanying site map.

- Big Brothers Big Sisters WNC in conjunction with GSCBA & ABA has requested through the City of Asheville Development Services Center that City Council permit them to serve beer and/or unfortified wine at the Beer City Festival and allow for consumption at this event.

The Beer City Festival will be held on Saturday, June 4, 2011, from 12:00 p.m. to 6:00 p.m. within the boundaries of Pack Square Park's Roger McGuire Green, Spruce Street between the intersections of South Pack Square and College Street, and within the City Hall/Courthouse Parking Lot.

- The Asheville Downtown Association has requested through the City of Asheville Development Services Center that City Council permit them to serve beer and/or unfortified wine at the Downtown After 5 events and allow for consumption at these events.

Downtown After 5 will be held on Friday, May 20, June 17, July 15, August 19 and September 16, 2011, from 5:00 p.m. to 9:00 p.m. within the boundaries of the 100 block of Lexington Avenue, as per the event area limits referenced on the accompanying site map.

- Goat Mountain Sanctuary has requested through the City of Asheville Development Services Center that City Council permit them to serve beer and/or unfortified wine at the Asheville VegFest and allow for consumption at this event.

The Asheville VegFest will be held on Sunday, August 7, 2011, from 12:00 p.m. – 9:00 p.m. within the boundaries of Battery Park Avenue & Otis Street as per the event area limits referenced on the accompanying site map.

- YMI Cultural Center has requested through the City of Asheville Development Services Center that City Council permit them to serve beer and/or unfortified wine at the Goombay Festival and allow for consumption at this event.

The Goombay Festival will be held on Friday, August 26, 2011, from 12:00 p.m. to 11:00 p.m., Saturday, August 27, 2011, from 11:00 a.m. to 11:00 p.m. and Sunday, August 28, 2011, from 10:00 a.m. to 6:00 p.m. within the boundaries of Eagle Street, South Market Street and Wilson Alley, as per the event area limits referenced on the accompanying site map. The Goombay Festival will also be held on Friday, August 26, 2011, from 10:00 a.m. to 9:00 p.m. within the boundaries of Pack Square Park's Roger McGuire Green, the City-County Parking Lot and within a designated area of Spruce Street between the intersections of College Street & Court Plaza, as per the area limits referenced on the accompanying site map.

- The Asheville Downtown Association in conjunction with New Belgium Brewing Company has requested through the City of Asheville Development Services Center that City Council permit them to serve beer and/or unfortified wine at the Clips of Faith Beer and Film Tour and allow for consumption at this event.

The Clips of Faith Beer and Film Tour will be held on Friday, September 19, 2011, from 7:00 p.m. to 10:00 p.m. within the boundaries of Pack Square Park's Roger McGuire Green, the City-County Parking Lot and within a designated area of Spruce Street between the intersections of College Street and Court Plaza, as per the area limits referenced on the accompanying site map.

These actions have no direct connection with the City of Asheville Strategic Operating Plan.

Pro:

- Allows fundraising opportunities for the Lake Eden Arts Festival, Dogwood Alliance, Just Economics, Mountain Sports Festival, Inc., Big Brothers Big Sisters WNC, Asheville Downtown Association, Goat Mountain Sanctuary and YMI Cultural Center.

Con:

- Potential for public safety issues

Overtime pay for Asheville Police officers per sponsorship agreement for Downtown After 5 is \$3,800 and for the Goombay Festival it is \$25,215. There is no fiscal impact for Asheville Earth Day, All Go West, Big Love Fest, Mountain Sports Festival, Beer City Festival, Asheville VegFest, and Clips of Faith Beer and Film Tour.

City staff recommends City Council adopt the resolutions authorizing the City Manager to approve a resolution making provisions for the possession and consumption of malt beverages and/or unfortified wine at Asheville Earth Day & Health Kids Day, All Go West, Big Love Fest, Mountain Sports Festival, Beer City Festival, Downtown After 5, Asheville VegFest, Goombay Festival, and Clips of Faith Beer and Film Tour.

**RESOLUTION NO. 11-66 - RESOLUTION BOOK NO. 33 – PAGE 409**  
**RESOLUTION NO. 11-67 - RESOLUTION BOOK NO. 33 – PAGE 412**  
**RESOLUTION NO. 11-68 - RESOLUTION BOOK NO. 33 – PAGE 415**  
**RESOLUTION NO. 11-69 - RESOLUTION BOOK NO. 33 – PAGE 418**  
**RESOLUTION NO. 11-70 - RESOLUTION BOOK NO. 33 – PAGE 421**  
**RESOLUTION NO. 11-71 - RESOLUTION BOOK NO. 33 – PAGE 424**  
**RESOLUTION NO. 11-72 - RESOLUTION BOOK NO. 33 – PAGE 427**  
**RESOLUTION NO. 11-73 - RESOLUTION BOOK NO. 33 – PAGE 430**  
**RESOLUTION NO. 11-74 - RESOLUTION BOOK NO. 33 – PAGE 434**

**D. ORDINANCE NO. 3958 - TECHNICAL BUDGET AMENDMENT IN THE HOUSING TRUST FUND**

Summary: The consideration of a technical budget amendment in the Housing Trust Fund in the amount of \$400,000 from program income and Housing Trust Fund reserves to fully budget planned expenditures for FY 2010-11.

In FY 2000-01, the City established the Housing Trust Fund to provide financing for affordable housing initiatives in the City. Each year since FY 2000-01 City Council, as a part of the budget process, has approved an annual transfer from the General Fund to the Housing Trust Fund. This transfer, along with program income from loans that are being re-paid, provides ongoing funding for affordable housing initiatives. In the current fiscal year, the adopted General Fund transfer to the Housing Trust Fund was \$300,000.

In prior fiscal years, the loans or notes receivable that the City disbursed to the developers of affordable housing were recorded on the City’s general ledger as balance sheet transactions, not as expenditures. As a part of its FY 2009-10 financial audit, the City’s external auditors recommended that the City modify its internal processes to record the issuance of notes receivable in the Housing Trust Fund as expenditures and budget for them accordingly.

As noted above, the adopted budget for FY 2010-11 already includes a \$300,000 appropriation in the Housing Trust Fund that reflects the General Fund transfer for this year. The table below outlines the total expected expenditures in the Housing Trust Fund in FY 2010-11, including administrative expenses as well as all disbursements of loan proceeds that Council has already approved.

Administrative Expenses	\$52,000
MHO Larchmont (loan approved April 2010)	\$400,000
Beaucatcher Commons (loan approved March 2010)	\$200,000
Shiloh Road – first draw (loan approved March 2011)	\$48,000
Total	\$700,000

Therefore, in order to provide budget authorization for these expenditures of \$700,000, the Housing Trust Fund budget needs to be increased by \$400,000. The City expects to receive \$150,000 in revenue from program income in the current fiscal year, which will provide a portion of the funding for the budget amendment. The remaining \$250,000 in budget authorization will come from reserves in the Housing Trust Fund.

This action complies with the City Council Strategic Operating Plan goal of “Operate the City of Asheville to the highest levels of fiscal responsibility.”

Pro:

- Provides the required budget authorization for expenditures that are expected to occur in the Housing Trust Fund in FY 2010-11.

Con:

- None.

All of the disbursements that have occurred or are planned prior to June 30, 2011 have already been approved by City Council. This technical budget amendment will simply bring the City into compliance with the recommendations made by the external auditors from Dixon Hughes.

City staff recommends City Council adopt the technical budget amendment in the Housing Trust Fund in the amount of \$400,000 from program income and Housing Trust Fund reserves to fully budget planned expenditures for FY 2010-11.

**ORDINANCE BOOK NO. 26 – PAGE**

**E. RESOLUTION NO. 11-75 - RESOLUTION AUTHORIZING THE CITY MANAGER TO IMPLEMENT A FARE-FREE WEEK TO PROMOTE TRANSIT DURING THE STRIVE NOT TO DRIVE WEEK OF MAY 16-20, 2011**

Summary: The consideration of a resolution authorizing the City Manager to implement a fare-free week to promote transit during the Strive Not to Drive Week, which is May 16-20, 2011.

Twenty years ago Bike to Work Day was launched in Asheville. Over the years this event evolved into Strive Not to Drive (SNTD) Week focusing more broadly on a variety of

transportation alternatives to the single-occupant car, including carpooling, walking, and public transit.

Strive Not to Drive Week is an annual event encouraging people to avoid driving their car for a day or part of a day in order to experience the benefits and opportunities of walking, bicycling, riding the bus, carpooling, telecommuting, etc.

This year the Transit Sub-committee of the SNTD Committee would like to offer commuters the following options:

1. Bus fare would be free throughout the week, which will incentivize commuters to take the SNTD pledge and take the bus at least some days that week.
2. Throughout the week the sub-committee will promote ***Bring a Friend and Win***, which will encourage current bus pass holders to bring one or more friends with them on the bus. At the Transit Center, both the pass holder and friend will be able to fill out a form and enter a drawing for a free monthly pass. The SNTD sub-committee will award two in each category, for a total of four free passes. Pass holders can enter as many times as they bring a friend, but each friend has to be different to accomplish the purpose of getting pass holders to get new people on the bus. The cost of the four free passes will come from the Transportation Demand Management program budget.
3. The sub-committee also plans to target certain constituencies during the week to get them on the bus, including seniors and Black Mountain/Swannanoa residents.

These options support the City of Asheville 2010/11 Strategic Plan by helping to promote emission-reducing options such as “integrate and implement a multi-modal transportation plan including sidewalks, bike paths, signal preemption, transit, greenways, and other system improvements resulting in a funding priority list.”

Pros:

- The fare-free period would help promote the Strive Not to Drive activities.
- Free-fare during the SNTD week would promote and encourage choice riders to try the transit system.
- The fare-free would potentially attract new riders.

Con:

- The system would lose about \$10,000 in revenue from cash and ticket books.

The system would lose about \$10,000 in revenue from current riders that pay with cash and ticket books. Operating expenses for FY 2010-11 are currently less than the budgeted amount and City staff expects this trend to continue for the remainder of the year. Based on this information, the anticipated loss in revenue can be absorbed within the approved operating budget.

Staff recommends a resolution authorizing the City Manager to implement a fare-free week in order to promote the Strive Not to Drive activities.

#### **RESOLUTION BOOK NO. 33 – PAGE 437**

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

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

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

### **III. PRESENTATIONS & REPORTS:**

#### **IV. PUBLIC HEARINGS:**

##### **A. CONTINUATION OF PUBLIC HEARING TO CONSIDER CLOSING SEVERAL PORTIONS OF UNOPENED RIGHTS-OF-WAY AND CITY STREETS WITHIN THE MONTFORD COMMONS DEVELOPMENT AREA**

Mayor Bellamy said that she has received a request from Mr. Vincent Smarjesse, representing Montford Commons, LLC, requesting a continuance until June 14, 2011, in order to resolve certain issues. Therefore, Councilwoman Manheimer moved to continue this public hearing until June 14, 2011. This motion was seconded by Councilman Bothwell and carried unanimously.

##### **A. PUBLIC HEARING TO CONSIDER AMENDMENT TO CHAPTER 7 OF THE UNIFIED DEVELOPMENT ORDINANCE TO ESTABLISH A TABLE OF PERMITTED USES**

##### **ORDINANCE NO. 3959 – ORDINANCE AMENDING CHAPTER 7 OF THE UNIFIED DEVELOPMENT ORDINANCE TO ESTABLISH A TABLE OF PERMITTED USES**

Mayor Bellamy opened the public hearing at 5:36 p.m.

Planning & Development Director Judy Daniel said that this is the consideration of an ordinance amending the Unified Development Ordinance (UDO) to establish a table of permitted uses. This public hearing was advertised on April 1 and 8, 2011.

Planning staff was directed by the City Council to prepare the table, consolidating into one location all the uses allowed in the various zoning districts of the UDO by right (Permitted uses = P), permitted with certain additional standards (Special / USSR = S), those requiring approval by the City Council (Conditional = C), and those expressly prohibited in certain districts (EXP). Most municipalities are moving towards the adoption and utilization of a single table which many find easier to reference than separate lists included within the development standards of each zoning district. This amendment will create both a new table, but also proposes to retain the existing lists, at least for the time being.

Creating the initial version of the table was not a difficult task; but creating that table revealed numerous discrepancies between the districts and the standards for some uses. These necessitated changes such as establishing a common name for listed uses in each district and verification of districts and standards for all USSR and Conditional uses. The work revealed a host of inaccuracies and other problems that had accumulated within the UDO since its adoption. This is not an unusual situation for any large and complex ordinance, but it added considerably to the time required to complete the work initiated by the creation of the table of permitted uses.

Further, during the time of preparing these changes, a court case in North Carolina precipitated a need to reconsider the use of "expressly prohibited" uses, except in a very few circumstances. The majority of those things listed as "uses" were actually related to development standards more than use, so those prohibitions have been moved to the development standards

sections of the districts. Since the River District is set up differently (all uses are permitted unless expressly prohibited), the express prohibitions were left there.

These changes cumulatively require extensive modifications to Article 2, Definitions; Article 8, General Use Districts; and Article 16, Uses by Right, Subject to Special Requirements and Conditional Uses. The range of these technical and substantive decisions included:

1) Article 2 - Definitions:

- Many use types, although similar, had different names in different districts. These were consolidated and one common name used.
- Some listed uses susceptible to interpretation were not defined, and definitions were added.
- Antiquated language was rewritten for some uses and definitions updated.

2) Article 8- Individual District Regulations. Multiple changes in Article 2 and in Article 16, led to the need for numerous technical and substantial changes in Article 8:

- Some uses listed as USSR or Conditional uses, were actually not allowed in Article 16, and were *deleted*; some uses listed as permitted, were actually USSR uses and were *changed*; and some uses listed as USSR in Article 16, were not listed and were *added*.
- Some uses were listed with added restrictions, and these were changed into a USSR use for consistency.
- Some use types were combined because they were very similar in character and impact and did not need separate listing.

3) Many changes were required in Article 16 (Uses Permitted by Right Subject to Special Standards/Conditional Uses). Examples include:

- With the full range of uses listed comprehensively in the Table, it became apparent that some uses that were not allowed in certain districts probably should be allowed, either by right or as a "USSR" or a Conditional use. New standards are recommended for those uses.
- The standards for many uses needed "tweaking" to adjust to current concerns or to add new districts.
- Certain use types grafted in over the years led to a disorderly listing of uses rather than the intended alphabetical listing. The list has been reordered.
- Article 16 includes a listing of the uses and the applicable districts included before the actual uses. There were discrepancies between this list and the use standards. The USSR list is proposed to be eliminated as it is the most extensive, and the most susceptible to errors. The applicable districts are deleted from the Conditional uses list.

One very important and positive thing became evident when this comprehensive table of uses was created. Other than in the single-family residential districts and the highest intensity industrial districts, all other zoning districts are already fit the definition of mixed-use districts. A range of multi-family dwelling options are already allowed in most of these districts, although perhaps not encouraged with incentives. So as the City begins to contemplate more substantive changes to the UDO to encourage more mixed-use development the task will be to create incentives and design standards, as the residential potential is already in place.

In summary, the nature of the changes are substantially technical but not substantive and are designed make the UDO a bit more “user friendly”, and a means to determine what uses are allowed in what zoning districts more easily. She also noted that the staff will next be considering and evaluating the potential for “collapsing” some zoning districts that are essentially similar in nature and uses.

Regarding compliance with City Council’s goals and plans, both the Comprehensive Plan and strategic Council goals call for transparency and partnerships. This amendment proposes to strengthen the integrity of the information contained within the UDO and to make this information readily available to the public, the staff, and other interested parties.

The concept of this wording amendment was initially reviewed by the Planning & Economic Development Committee in July 2010 and again in more detail in December 2010, where the staff received direction to move forward on implementing these changes.

The staff went through the changes in detail with the Planning & Zoning Commission over three meetings in January, February, and March. With minor changes, they recommend approval of these modifications. The Commission has recommended continuing to allow the following uses in the Industrial District, which the staff had recommended deleting as permitted uses (thinking that they were not really appropriate in a district that allows heavy industrial uses): Crematories for human remains, Stadiums and arenas, Places of worship, Funeral establishments, and Theaters.

Pros:

- Makes necessary corrections to missing, conflicting, and duplicative references
- Provides a consolidated reference for all users

Con:

- Table is large and complex, color coding could assist but not available for reproduction (although will be available on-line)

City staff concurs with the Planning & Zoning Commission and recommends that the Council adopt the ordinance as proposed.

Mayor Bellamy closed the public hearing at 5:43 p.m.

In response to Mayor Bellamy, Assistant Planning & Development Director Shannon Tuch said that they will amend the ordinance to clarify the term telecommunication facilities to distinguish between the actual towers vs. antennas.

Also in response to Mayor Bellamy, Ms. Daniel said that where places of worship is mentioned to include “including, but not limited to churches, synagogues; or mosques.”

Mayor Bellamy said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilman Russell moved for the adoption of Ordinance No. 3959, as with the two amendments requested above. This motion was seconded by Councilwoman Manheimer and carried unanimously.

## **V. UNFINISHED BUSINESS:**

### **A. DISCUSSION OF EARLY VOTING SITES FOR 2011 CITY COUNCIL ELECTION**

Mayor Bellamy said that the Buncombe County Board of Elections is in the process of preparing their budget for 2011-12 and has asked if City Council will want early voting sites for their election this year.

At the February 8 and March 8, 2011, City Council meeting, City Council asked for additional information to determine if they will request the Buncombe County Board of Elections (BOE) to prepare for early voting sites for their election this year. That requested information is below: (1) The discrepancy from the \$39,306 associated with the November 2009 election was a typographical error. The correct amount the four additional early voting locations for one week before the General Election in 2009 was \$29,306 (which is close to the guideline of \$1,000 per day per site); (2) The City of Asheville pays for all of the actual costs associated with their elections, which would include the early voting sites at the BOE Office; (3) 17,281 voters voted in the 2009 election, with 1,349 voting early at BOE Office and 2,008 people voting in the 4 additional early voting locations; (4) 2009 Saturday voting: (A) 261 voted on the 1<sup>st</sup> Saturday – 217 at the 4 locations; 44 at BOE Office; and (B) 281 voted on the 2<sup>nd</sup> Saturday – 224 at the 4 locations; 57 at BOE Office; and (4) 15,528 voters voted in the 2007 election, with 1,061 voting early at BOE Office.

Information from the February 8 and March 8 meetings was also available in order to assist Council to make their determination.

Councilman Davis felt that early voting is important and more sites is a good way to foster better turnout; however, given the City's economic outlook, he felt he could not support additional voting sites, especially since there is early voting at the BOE office. Therefore, he moved to only have early voting at the BOE office. This motion was seconded by Councilman Russell.

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

The motion made by Councilman Davis and seconded by Councilman Russell failed on a 2-5 vote, with Mayor Bellamy, Vice-Mayor Davis, Councilman Bothwell, Councilwoman Manheimer and Councilman Smith voting "no."

Vice-Mayor Newman felt that spending \$24,000 (4 additional sites x 6 days) to decide the governance for the next four issues and to encourage greater civic involvement. He then moved to request the Buncombe County Board of Elections add four additional early voting locations six days before the general election in the north, south, west and east areas for a total appropriation of \$24,000. This motion was seconded by Councilman Bothwell.

Mr. Mark Cates, resident of Asheville, opposed spending the additional \$24,000 due to crucial cuts and raising fees necessary to serve the community

Councilman Smith felt that having access to voting is one of our primary responsibilities as a government. We are setting priorities and this is a priority that voters have access to the process. He feels the additional early voting sites are money well spent.

The motion made by Vice-Mayor Newman and seconded by Councilman Bothwell carried on a 5-2 vote, with Councilman Davis and Councilman Russell voting "no."



## **B. FEDERAL LEGISLATIVE UPDATE**

Mayor Bellamy said that there has been an almost 17% cut of Community Development Block Grant funds. More information will be forthcoming to see how it will impact our community. Vice-Mayor Newman, Chairman of the Housing & Community Development Committee, noted that they had planned for a 10% reduction.

Mayor Bellamy said that at the April 26 meeting there will be an update regarding the state legislative items. She asked for the following to be addressed and what those bills will mean to our community: independent Airport Authority, Biltmore Lake annexation, Buncombe County district elections, and no annexation authority for five years. She noted that the City was not formally notified that any of those bills were submitted. She was concerned about that process. City Attorney Oast said that he may be travelling to Raleigh to personally talk with some of our legislators.

## **VI. NEW BUSINESS:**

### **A. ORDINANCE NO. 3960 - ORDINANCE ADOPTING THE FEES & CHARGES MANUAL FOR 2011-12 BUDGET**

Director of Administrative Services Lauren Bradley said that this is the consideration of an ordinance adopting the Fees & Charges Manual for 2011-12.

The proposed FY 2011-12 fee adjustments were reviewed by the Council Finance Committee on March 15, 2010, and discussed with the full Council at the March 22, 2010 budget worksession.

For FY 11-12, it was staff's goal to minimize fee impacts to city residents and businesses while looking for opportunities to more fully recover the cost of providing specific services where feasible. This direction is consistent with City Council's Strategic Operating Plan goal to look for opportunities for fee relief. As a result, adjustments to General Fund fees adjustments are limited in scope and address a small number of areas where there was opportunity to more fully recover the cost of services.

In addition to the General Fund fee adjustments, staff has proposed adjustments to some fees in the Parking Fund, most of which are designed to bring greater uniformity to the rate structure in the City's three parking garages. The additional revenue generated by the Parking Fund fee changes is expected to be approximately \$68,000. There are also some minor fee changes proposed in the Civic Center, Golf, and Transit Enterprise Funds.

Finally, staff is requesting that Council approve the FY 2011-12 Water Resources fee adjustments that are being recommended by Raftelis Financial Consulting. These adjustments, which will create more equitable cost recovery across the water customer classes, include increases to the commercial and multi-family volumetric rates and the wholesale rate. There are no changes being proposed to the residential rate in FY 2011-12. This recommendation is consistent with City Council's Strategic Operating Plan goal to improve the affordability of water rates for residential customers. The additional revenue generated by the Water Fund fee changes is expected to be approximately \$340,000.

Staff is requesting that Council take action on the fee recommendations so that the additional revenue from the fee adjustments can be included in the Manager's Proposed Budget, which is scheduled for presentation to Council on April 26. By approving the fees now, Council will also provide staff will time to begin communicating fee changes to citizens, customers and stakeholders so they are aware of changes that will be implemented on July 1. Every department will be responsible for developing and implementing a communications plan to let citizens know about fee changes.

General Fund fee changes recommended by the Finance Committee would produce approximately \$37,900 in additional revenue, which amounts to less than one-half of one percent of the General Fund budget. These fees are designed to more fully recover the expenditures associated with providing specific services. She highlighted: (1) Fire inspection fees in the ETJ (a) brings service to full cost recovery by adding a 20% surcharge to inspections in the ETJ; (2) Parking Garage rates (a) adjust rates to bring consistency between garages; and (b) most rate adjustments made to Civic Center garage (i) hourly: 50 cents to 75 cents; (ii) monthly: \$70 to \$80; and (iii) monthly discounted rates: \$35 to \$40; (3) Special Event discount rate (a) in FY 10-11, City Council approved a 75% discount on permit fees for non-profits holding special events; and (b) recommendation to cap events eligible for waiver to six per year per non-profit organization; and (4) Domestic Partner Registry (a) registry active by May 1, 2011; and (b) fee: \$45.00.

Water Rate study recommended changes (1) Raise commercial and multi-family volumetric rates relative to single family (a) provide more equitable cost recovery; (2) Separate irrigation from residential rate (a) targets true elective usage; and (b) raise to 120% of residential rate in FY 2013; and (3) Raise wholesale rates to keep up with overall rate increases. She then reviewed the chart of the water rate recommendation increases, noting that the residential fee would remain the same.

Staff recommends that Council adopt the proposed FY 2011-12 fee proposals and staff will work to notify customers of any rate changes between now and July 1, 2011.

Councilman Bothwell moved to adopt the proposed fee adjustments for the Fiscal Year 2011-12 fiscal year. This motion was seconded by Councilwoman Manheimer.

Mr. Mark Cates was concerned that City Council was raising fees again and felt that they were generous with other people's money.

When Councilman Davis brought up a co-sponsorship request of Eblen Charities, it was the consensus of Council to have staff obtain more information on the request and related expenses and report back to City Council.

Councilwoman Manheimer said that the fees were discussed in the Finance Committee and they do reflect full cost recovery. Regarding water rates, the recommendation was to move towards full cost recovery and through the study realized that our residential rate payers are subsidizing multi-family and commercial users. We are trying to move toward a more equitable fee arrangement regarding water.

Councilman Russell agreed that many of these fees are full cost recovery; however, regarding water, he felt that the City should consider lowering our cost for residential users.

Vice-Mayor Newman too would like to see the residential rate structure go down; however, the infrastructure needs a lot of work. At this time he thinks the money is needed for the capital improvements to the system, but there will be a point when we have done enough to level off.

In response to Councilman Russell, Mr. Lex Warmath, Vice-President of Raftelis Financial Consultants Inc. (consultant conducting the Water Rate Study), explained that the cost structure for Asheville is higher than some other communities due to the age of the system and a whole range of factors. During the study they looked at whether there was cost justification for level of discount for the very large users compared to everyone else, but particularly to the residential customer. Very few utilities offer that level of discount. Typically an industrial rate might be in the 15-30% discount at max, but Asheville is at 55-60%. Regarding retaining and bringing in business, if there are very large water users, they will be more interested in

guaranteed water supply than cost difference, noting there are not that many large water users anymore.

Councilman Bothwell felt that raising the commercial rate will make it more cost effective to conserve for those businesses who still use a lot of water. Steering our community towards better conservation is an economic driver for the future. Fresh water is in very short supply internationally. He believed in 20 years, businesses will be lining up to find places that have sufficient water supply. Encouraging conservation through our rate structure will ultimately benefit the City.

Mayor Bellamy could not support the motion. She felt we should be going up small increments and talking with our large water users in advance so they can plan for any increase. Presently, some large water users are struggling to stay open. When industry looks to locate in an area, they do ask about water rates compared to other cities. She also felt that other fees proposed are not consistent in what Council discussed in their retreat.

The motion made by Councilman Bothwell and seconded by Councilwoman Manheimer carried on a 4-3 vote, with Mayor Bellamy, Councilman Davis and Councilman Russell voting "no."

## **ORDINANCE BOOK NO. 26 – PAGE**

### **Recycling**

Public Works Director Cathy Ball presented Council with another reiteration of the waste stream reduction proposal. At the March 22 worksession, staff came before Council with a proposal to increase the capacity for recycling by providing a 95-gallon container, based on pilot studies done. We also proposed to develop a semi pay-as-you-throw program that would allow people to pick different sizes of trash cans. For various reasons, Council was concerned even incrementally about increasing costs and passing those onto our residents. Staff had the opportunity to meet with an individual and bring back another proposal for Council's consideration. Staff is not asking Council to approve a contract with RecycleBank or approve an amendment with our current recycling contractor, but asking Council to consider increasing the recycling fee to help support this kind of joint concept of a two-fold approach: One is to bring in some kind of RecycleBank type program (this is a rewards program) and offer individuals to take advantage of discounts based upon how much they recycle; and (2) Providing the 95-gallon recycling containers. The purpose is not to convince Council that RecycleBank is the best route, but they have met with them and feel they have some good things to offer, but did want to present to Council their concept because there are real numbers based on Asheville.

She said the concept of the program is that more an individual recycles, the more opportunity they have to get real rewards in terms of things our community has to offer. She showed a chart of the real impact and durable results from Houston, Texas; Wichita, Kansas; Rochester Hills, Michigan; and Hollywood, Florida.

The real rewards are things that people use every day. Any company who is a national sponsor has to pay to be a part of the program and they also have to have a green component to their business. There would be over 2,000 reward partners and she showed sample reward offers. The program is also set up to allow about 40% of local and regional businesses to participate. They would not have to pay an annual amount to do that, but they would have to offer some type of discount to their restaurant or their place of business in order to participate in the program. People can also donate the RecycleBank points to support local schools or non-profit organizations. In terms of Asheville (after specifically looking at the pilot program), the benefits of participating citizens would be \$89 to \$138 annual reward value per household, based on 2.5 points per pound of material recycled. The pilot study indicated that just by adding the 95-

gallon containers we increase recycling by about 7%. By adding RecycleBank we have conservatively said we can add another 3% for a total increase of 10% in recycling.

She reviewed the following financial summary:

Additional Costs: City capitalizes carts - \$200,000  
 City pays RecycleBank (marketing) - \$105,000  
 City pays CMI additional (technology improvements to vehicles)- \$38,000  
 Tipping fee savings (\$130,000)  
 Net annual cost of \$213,000.

The citizens would need to pay an additional \$.65/month or \$7.80 per year to generate revenue to support the annual cost of \$213,000.

Prior to staff increasing the existing contract or entering into an agreement with RecycleBank or another type of vendor, staff would have to come back to City Council for approval.

There was considerable discussion regarding this proposal with Ms. Ball responding to various questions/comments, some being, but are not limited to: what is the total cost of the 95-gallon carts; how many years would the debt service payment be for \$1.5 Million; how long will the carts last; with the new service, will the pick-up service change; does everyone need to participate and if not if there a higher per month charge for those that do; confirmation that 80% of Asheville already recycles; confirmation that the contractor will add three more lines of what can be recycled; what neighborhoods were included in the pilot recycling program and were the differences in the recycling from each neighborhood; what type of education was included in the pilot recycling program; was there 100% resident participation in the pilot recycling program; how does RecycleBank know the amount of recycling collected in order to award the points; what is the duration of the contracts with RecycleBank and the current provider; would everyone be charged the additional recycle fees whether they wanted to participate or not; and how user friendly is redeeming the points and what is the percentage of people that do redeem them.

In response to Mayor Bellamy, Ms. Ball said that the goal is to increase the types of materials that can be recycled and the amount of material people can recycle.

Councilman Russell moved to support proceeding with the waste stream reduction proposal of a RecycleBank type program. This motion was seconded by Councilman Bothwell.

Mr. David Wasserman supported this type program in that the City would be giving residents the opportunity to offset the increase.

In response to Vice-Mayor Newman, Ms. Ball said that for currently households pay \$2.95/month or \$36/year for recycling. Currently to run our recycling program is \$940,000 and the fees to equal that amount are \$2.65. The other 30 cents is used for our administration/marketing costs and things done internally.

Vice-Mayor Newman felt this is a new innovative idea and concept; however, he would prefer to learn more about it before recycling fees are raised.

Councilman Russell withdrew his motion to support proceeding with this type program.

Mayor Bellamy scheduled this topic on the April 26 worksession and suggested other options be presented as well.

### **Closed Session**

At 7:09 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 a lawsuit involving the following parties: Cherie Byrd, City of Asheville, Asheville Police Department and Eric Lauffer. 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 Russell and carried unanimously.

At 7:21 p.m., Councilman Smith moved to come out of closed session. This motion was seconded by Councilman Bothwell and carried unanimously.

### **B. WEIRBRIDGE VILLAGE LAND USE INCENTIVE GRANT REQUEST**

#### **RESOLUTION NO. 11-76 - RESOLUTION SETTING A PUBLIC HEARING ON APRIL 26, 2011, TO CONSIDER A LAND USE INCENTIVE GRANT AGREEMENT FOR WEIRBRIDGE VILLAGE**

At Councilwoman Manheimer's request, Councilman Russell moved to recuse Councilwoman Manheimer from participating in this matter due to a conflict of interest. This motion was seconded by Councilman Smith and carried unanimously.

Community Development Director Jeff Staudinger said that the owners/developers of Weirbridge Village have applied for a Land Use Incentive Grant per the policy adopted by Council on March 8, 2011. This report summarizes their application and reports on eligibility and points.

The Weirbridge Village project entails the development of 280 units of rental housing located at the intersection of Hendersonville Road and Racquet Club Road in the City of Asheville. No commercial or other mixed use development is cited in the proposal.

The project, as presented to staff, appears to meet the Eligibility Requirements,

- Equity: A 20% equity contribution is required. The project developers indicate they have contributed 20.67% equity to the project. This includes unreimbursed expenses from the original PUD process.
- Energy Star Certification: The developers indicate the project will achieve Energy Star certification.
- Inside city limits, within ¼ mile of designated major highways: The project is located in an eligible location.
- Legal Costs; the developer must agree to assume all legal costs if the LUI is challenged: The developer has agreed to assume all legal costs if the Land Use Incentive policy is challenged.

The project proposes the following Public Benefit Elements:

- Workforce Housing units with assured affordability at that rent level for a minimum of ten years: *50% of total units* (10 points)
- Green Building/Energy: *Energy Star certified* (5 points)
- Located within the Sustainability Bonus Area: *Yes* (5 points)

The project therefore scores 20 points. Based on this score, the project would be eligible for a two year Land Use Incentive Grant.

The project meets the following 2010-11 Strategic Plan Goals: (1) *Affordable*: Create and preserve affordable rental and homeownership opportunities in Asheville. The project is directly related to the opportunity for public/private partnerships and innovative financing to incentivize affordable housing development; and (2) *Green and Sustainable*: Set and develop a plan for implementing a community reduction goal. The project is being built to Energy Star standards, and will be certified by Energy Star.

The project meets applicable Master Plans in the following ways: (1) The project supports the goals of the *2009 City Transit Master Plan* by its location “along major transit corridors...” ; and (2) The project supports the goals of the *2009 Sustainability Management Plan*, which calls for the City to encourage Transit Oriented Development. According to sources cited by the developer, “the minimum density at which rapid transit can operate efficiently is approximately 12 units per acre. The Weirbridge Village development is 17 units per acre.” The development is recycling during construction, and post construction will offer both recycling and composting available for residents. Weirbridge Village also will employ “best management practices” stormwater measures.

The developer has requested an exemption from the requirement that a project not have yet received building permits.

Weirbridge Village requests an additional 20 points for “extenuating circumstances surrounding the 25 year stormwater design at Weirbridge Village.” Staff will research and report on the developer’s request pending the setting of a public hearing for the grant request.

The current assessed value of the property is \$1,171,500. The developer’s estimate of completed project taxable value is \$19,600,000. The current annual city tax, based on current assessed value, is \$4,920. The annual estimated city tax post completion, based on the developer’s estimate, is \$82,320. Thus, the estimated annual Land Use Incentive Grant would be \$77,400, the exact amount to be determined by the length, in years, of the grant award, and the actual assessed value of the development upon completion.

The amount of fees payable for Zoning Permit, Building Permit, Driveway Permit, Grading Permit, Plan Review Fees and Water Service Connection Fee is \$207,572. The value of each 10% of the fee rebate would be \$20,752. The exact amount would be determined by the percentage of fee rebate awarded as part of the Land Use Incentive Grant.

If Council decides to honor the developers request for an exemption to the building permit condition, the project as proposed appears eligible for a Land Use Incentive Grant. The next step is for Council to adopt a resolution setting a public hearing date of April 26, 2011. Per policy, Council must determine whether to award such a grant, and if so, for what time period. Based on the information submitted to date, staff finds that the project is eligible for a two-year award.

When Vice-Mayor Newman asked for public comments, none were received.

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

Councilman Davis moved for the adoption of Resolution No. 11-76. This motion was seconded by Councilman Russell and carried unanimously (Councilwoman Manheimer recused).

**C. RESOLUTION NO. 11-77 - RESOLUTION INCREASING THE MUNICIPAL CARBON FOOTPRINT REDUCTION GOAL TO 4% EACH YEAR FOR THE NEXT FIVE YEARS**

Energy Coordinator Maggie Ullman said that this is the consideration of a resolution increasing the municipal carbon footprint reduction goal to 4% each year for the next five years.

In 2007 Asheville City Council approved a carbon footprint reduction goal of 2% per year until an overall reduction of 80% was achieved. In 2008 the Office of Sustainability was formed to lead this effort. The first priority of the Office of Sustainability was to create the Sustainability Management Plan (SMP) to guide reduction efforts and prioritize opportunities. This plan was approved in 2009. The conceptual strategy for carbon reduction in the SMP is a three pronged approach: capital investment, management decision making, and creating an organization that values sustainability.

Carbon Reduction Performance to Date:

	<b>Carbon Reduction</b>	<b>Programs and Initiatives</b>
FY 2007-2008	2.74%	Created Office of Sustainability
FY 2008-2009	2.39%	Created Sustainability Management Plan. 4/10 work schedule, automatic computer shutdown program, energy conservation competitions
FY 2009-2010	3.87%	B5 Biodiesel in fleet, recycling and sustainability education program, facilities maintenance reorganizing, fire station improvements, water pump improvements

City Council's 2010 Strategic Operating Plan included a goal to identify strategies and costs for doubling the municipal carbon footprint reduction goal from 2% to 4% annually. Staff evaluated, analyzed and compared opportunities in the Sustainability Management Plan, as well as identifying carbon reduction opportunities within the City's Capital Improvement Plan (CIP). Staff then created a five year Green CIP to demonstrate the City's ability to achieve 20% reduction over 5 years. The Green CIP compiles 13 separate projects such as LED streetlights, HVAC upgrades, solar thermal and alternative fuel vehicles. In addition, the Green CIP includes 4 ongoing activities including: education, building maintenance, biodiesel fuel and energy management. The Green CIP projects a 20.94% carbon footprint reduction over five years.

The financial analysis for the Green CIP demonstrates the city's ability to achieve increased carbon reduction without increasing general fund expenses. The Green CIP would be self funded through the utility dollar savings that result from implementing the projects, these dollars would revolve each year to financially support the program. Like most capital plans, specific projects included in the five-year timeframe may change; however, staff has created the plan to demonstrate the City's ability to achieve 20% reduction over five years by reinvesting utility funds saved through the implementation of energy efficiency projects. Staff would bring forward a final Green CIP and sustainability program plan as part of the FY 11-12 budget.

Staff shared this staff report with the Sustainability Advisory Committee on Energy and the Environment (SACEE) and they provided this statement:

"SACEE enthusiastically supports Staff's proposed 5 Year, 20% Carbon Reduction Program and encourages Council to adopt this resolution through the budget process as proposed. SACEE also commends staff for developing a first-class program that will achieve the City's annual carbon reduction goal at the same time as generating substantial economic and community benefits. In adopting this program, the City will take a very

significant step towards curbing its carbon pollution, and Council and Staff are to be lauded in their leadership and managerial excellence in this effort.

This action complies with the Strategic Operating Plan by supporting Council's efforts to reduce the municipal carbon footprint reduction efforts by 4%.

Pros:

- Increased commitment to carbon reductions supports green job development and local business
- Demonstrate a strong leadership commitment to carbon reductions

Con:

- Capital funding will be required to accelerate investment in cleaner and more efficient vehicles, equipment and building systems.

Council will consider fiscal impact as part of the annual budget process.

City staff recommends City Council adopt a resolution to increase the municipal carbon footprint reduction goal to 4% each year for the next five years.

Mayor Bellamy felt it would be worth having staff pursue how the waste reduction program can fall into the sustainability category and be funded with those savings. It was her desire to see more recycling and not increase the resident rate. Ms. Ullman said that currently the policy is exclusively looking at carbon reduction for the organization, not the community. She said that she would have to analyze the financial projections.

Vice-Mayor Newman said that under the proposal, the additional savings, above paying back the debt, would go back into the energy reduction goal. If the savings were taken out of that, it would not be possible to reinvest in energy efficiency measures. He felt there are two different goals - an energy conservation goal and then solid waste management goal.

Councilman Smith wanted to make sure that there was coordination between the City Hall window replacement and the City Hall repairs. City Manager Jackson said that the primary focus of the City Hall repairs is the roof structure and securing the masonry around the building.

Vice-Mayor Newman moved to adopt the resolution to increase the municipal carbon footprint reduction goal to 4% each year for the next five years, with the amendment in the resolution to read that "Should City Council take no action at that point, the 4% carbon reduction goal would remain as the annual target." This motion was seconded by Councilman Bothwell.

Mr. Mark Cates felt that LED technology is good but the price continually goes down. He hoped that we do not move too quickly and pay more up front than we would in two years from now.

The motion made by Vice-Mayor Newman and seconded by Councilman Bothwell carried unanimously.

## **RESOLUTION BOOK NO. 33 – PAGE 439**

### **D. BOARDS & COMMISSIONS**

Vice-Mayor Newman, Chairman of the Boards & Commissions Committee, said that the Boards & Commissions Committee recommended re-advertising for another month for our vacancies on the Sustainable Advisory Committee on Energy & the Environment, the Fair



Housing Commission and the Historic Resources Commission. He urged anyone interested in serving on these boards to go to the City's website for an application.

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

**RESOLUTION NO. 11-78 – RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH BLUELINE SYSTEMS & SERVICES LLC. TO PERFORM AN AUDIT OF THE ASHEVILLE POLICE DEPARTMENT EVIDENCE ROOM**

**ORDINANCE NO. 3961 – BUDGET AMENDMENT FOR AGREEMENT WITH BLUELINE SYSTEMS & SERVICES LLC. TO PERFORM AN AUDIT OF THE ASHEVILLE POLICE DEPARTMENT EVIDENCE ROOM**

City Manager Jackson said that staff is request Council to authorize him to enter into an agreement with Blueline Systems & Services LLC to perform an audit of the Asheville Police Department's Evidence Room, and the associated budget amendment in the amount of \$175,000.

Police Chief Bill Hogan said that their goal is to get the audit started as quickly as possible. He has met with the President of Blueline to request a complete audit of the property room and to ensure the integrity of that process. He said that drug seizure monies might be available to fund this audit and as soon as they receive permission from the federal government they will reimburse the General Fund the \$175,000. The audit will look at the existing pending cases and previous cases – anything that has evidentiary value, particularly drug, guns and money.

In response to Mayor Bellamy, Police Chief Hogan said that as soon as Council authorizes the resolution, the audit should begin very quickly as the auditor understands the importance.

Mayor Bellamy requested that as soon as the audit report is finalized that we provide it to the District Attorney Ron Moore the same day.

In response to Councilman Smith, Police Chief Hogan outlined the changes which will be made to ensure this doesn't happen again, noting that he will ask the auditor for any suggestions for the operation of the evidence room.

When Mayor Bellamy asked District Attorney Ron Moore if he was comfortable with the company that will perform the audit and whether he felt the audit would meet his needs, he replied yes. He then provided Council with an outline of the occurrences to date starting with him asking the Police Chief for an audit on February 22.

Councilman Russell moved for the adoption of Resolution No. 11-78. This motion was seconded by Councilman Davis and carried unanimously.

**RESOLUTION BOOK NO. 33 – PAGE 440**

Councilman Russell moved for the adoption of Ordinance No. 3961. This motion was seconded by Councilman Davis and carried unanimously.

**ORDINANCE BOOK NO. 26 – PAGE**

**RESOLUTION NO. 11-79 – RESOLUTION AMENDING THE CITY COUNCIL MEETING SCHEDULE TO ADD A WORKSESSION ON APRIL 26, 2011, AT 4:00 P.M. IN THE FIRST FLOOR NORTH CONFERENCE ROOM OF CITY HALL**

Councilman Russell moved to schedule a worksession on April 26, 2011, at 4:00 p.m. in the First Floor North Conference Room to discuss the recycling program proposal. This motion was seconded by Councilman Smith and carried unanimously.

**RESOLUTION BOOK NO. 33 – PAGE 441**

**CLAIMS**

The following claims were received by the City of Asheville during the period of March 11-31, 2011: Hugh Moran (Police), Sonia Clay (Police), AT&T (Water), Linda Brown (Fire), John Powell (Streets), Mary Lou Howell (Streets), Christy K. Clavio (Building Safety), Frank McCoy (Transit), Sarah Becker (Building Safety), Alvis Tingle (Sanitation), Julie Satterfield (Police) and Christopher German (Transit). These claims have been referred to Asheville Claims Corporation for investigation.

**VIII. ADJOURNMENT:**

Mayor Bellamy adjourned the meeting at 8:15 p.m.

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CITY CLERK

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MAYOR