

Tuesday – October 14, 2014 - 3:30 p.m.

## Worksession

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Marc W. Hunt; Councilman Cecil Bothwell; Councilman Jan B. Davis; Councilman Christopher A. Pelly; Councilman Gordon D. Smith; Councilwoman Gwen C. Wisler; City Manager Gary W. Jackson; City Attorney Robin T. Currin; and City Clerk Magdalen Burleson

### **Affordable Housing/Community Development Worksession**

Assistant Community & Economic Development Director said that the purpose of this report is to receive City Council's feedback on a draft Comprehensive Affordable Housing Strategy.

The Comprehensive Affordable Housing Strategy (CAHS) is a next generation housing policy framework, combined with an implementation toolkit, that will focus on:

- Strengthening the city's affordable housing programs for low- and moderate-income households;
- Continuing the development of a housing crisis management system to prevent and end homelessness;
- Expanding housing opportunities for middle-income households;
- Exploring innovative approaches to providing additional housing and a broader range of housing options, particularly for housing needs not being met by the market;
- Prioritizing action items that provide the highest return on investment as measured by number of affordable units, percentage of permanently affordable units, contributions to long-term economic and tax base growth, and sustainability.

The CAHS is envisioned as a "living document" that will guide ongoing work related to housing policies and programs. In other words, adoption of the strategy will not signal the end of the City's housing-focused discussions, but rather inform annual work program priorities aimed at continual monitoring, evaluation and action to strengthen and expand housing opportunities through a variety of tools and coordinated initiatives.

Purpose of Strategy (1) Strengthen the City's affordable housing programs for low- and moderate-income households; (2) Continue the development of a housing crisis management system to prevent and end homelessness; (3) Expand housing opportunities for middle-income households; (4) Explore innovative approaches to providing additional housing and a broader range of housing options, particularly for housing needs not being met by the market; and (5) Prioritize action items that provide the highest return on investment as measured by number of affordable units, percentage of permanently affordable units, contributions to long-term economic and tax base growth, and sustainability.

City Council is being asked to (1) Provide feedback on the draft goals and assumptions outlined in the framework; (2) Consider an affordable housing goal for Fiscal Year 2014-2015; (3) Identify short- and long-term priorities that need to be incorporated into the city's work plan; and (4) Provide direction on the prioritization of action items, projects and policy recommendations. Staff will edit the strategy based on Council's direction today and bring it back for adoption.

After he explained what affordable housing is, he explained that low wages (1) Retail Trade and Accommodation & Food Services have provided more than 26% of all new jobs created in past year; and (2) Jobs paying an average annual wage of less than \$25,000 comprise 31% of our workforce.

Housing costs - a high percentage of households are "cost burdened" (i.e. pay more than 30% of their income for housing costs).

The Affordable Housing Scorecard findings are for the City of Asheville (1) is outperforming annual targets for affordable housing production and assistance; (2) is outperforming all four comparison cities: Greenville, SC, Wilmington, NC, Chapel Hill, NC and Durham, NC, is using its state and federal grant dollars efficiently; (3) Housing Trust Fund and rebate programs have been very effective at assisting developers to make affordable housing development feasible; and (4) has the political support as well as institutional/organizational capacity to tackle the affordable housing challenge. The local community development corporation, Mountain Housing Opportunities, has efficiently and effectively utilized Housing Trust funds, LIHTCs, HOME funds, NeighborWorks funds, and other funding to produce affordable rental and for sale housing.

Affordable Housing Scorecard recommendations are: (1) Permanent affordability; (2) Housing Trust Fund and dedicated funding for affordable housing; (3) Identify opportunity areas; (4) Neighborhood Planning; (5) Economic Development and Workforce Development; (6) Continue and expand affordable housing coordination with Buncombe County ; and (7) Expand affordable housing network.

Assumptions are (1) Build on Asheville's existing policy context; (2) There are no single solutions; (3) Low- to middle-income focus; (4) Continued focus on greatest need: affordable rental apartments; (5) Only considers land in the city's service area; (6) Increase supply through infill and redevelopment; (7) Support strong and diverse neighborhoods; (8) Housing near to jobs, schools and services enhances affordability; and (9) Asheville needs to grow "in and up."

Our goals are: (1) **Strengthen Our Current Commitments** - Reach or exceed Asheville's goals to serve people of in all life stages, incomes and abilities; adopt production goals that are ambitious and achievable; (2) **Maintain the Middle** - Provide greater variety of housing choices for middle-income families and for Asheville's workforce; (3) **Create Diverse Housing Choices in Every Neighborhood** - Facilitate the creation of a variety of housing options in every part of the city, including existing single-family neighborhoods and commercial districts; (4) **Create Vibrant Neighborhoods** - Foster mixed-income, mixed-use, highly walkable neighborhoods in amenity rich locations (e.g., close to transit, parks, open space and trails, employment, retail services, etc.) to maximize locational efficiency; and (5) **Strengthen Partnerships and Leverage Resources** - Strengthen current partnerships and explore creative new public-private-partnerships to address our community's housing challenges.

It was the consensus that the goals outlined by Mr. Staudinger are correct and reflective of City Council's vision.

Action items include (1) Initiatives underway (a) UDO Wording Amendment to allow housing density in commercial districts; (b) Affordable Housing Trust Fund Cycle for Fiscal Year 2014-2015; (c) Economic Development Capital Improvement Plan (EDCIP); (d) Eagle Market Place, Hudson Hills Developments; (e) Lee Walker Heights redevelopment project; (f) CDBG and HOME funding cycles; (g) Deaverview Road site disposition; and (h) Redevelopment of city-owned property initiative – Hilliard Avenue site; (2) Foundations for action (a) Adoption of a housing production goal for Fiscal Year 2014-2015; (b) Comprehensive Housing Market Analysis; (c) 2015-2019 Consolidated Plan for CDBG and HOME; and (d) Revisit production goal for Fiscal Year 2015-2016; and (3) Mid-term policy initiatives (a) Adopt Affordable Housing Policy Guidelines for Fiscal Year 2015-2016; (b) Comprehensive Recommendations on City Affordable Housing Tools for Fiscal Year 2015-2016; (c) Comprehensive Regulatory Analysis and Recommendations; and (d) Adoption of achievable and aspirational long-term goal to substantially impact affordable housing needs.

Staff is seeking your policy guidance on key questions as we continue to build the work program - (1) Are we ready to strategically prioritize the relocation of city facilities to pursue mixed-use project and affordable housing developments? Staff sees this as a high priority; (2) Are we ready to consider UDO and other regulatory changes to increase housing density and otherwise encourage affordable housing production; (3) Are we ready to focus financial and staff resources to maximize the return on housing production; (4) What are the attributes we seek in development partners; (5) Are we ready to move to adopt standards to guide City resource contributions to affordable housing developments; (6) Should we strengthen incentives that will result in affordable and “workforce” housing development in our Innovation Districts and other locationally efficient areas in the City; (7) Are we ready to consider strategies to prevent gentrification such as community land trusts, live-work housing, cooperative housing and strategic land banking; (8) Are we ready to move forward with policy decisions regarding the impact of short-term rentals on affordable housing, as soon as sufficient data and evidence is available to guide that policy; (9) Have we captured the right action items; (10) Are there other projects and initiatives that need to be added; and (11) What additional policy direction would you give us now as we develop the mid-term policy initiatives?

Vice-Mayor Hunt said from a capital planning standpoint, he was open to programming capital money in future years to address the lowest two income levels. He also supported revisiting the 2025 Comprehensive Land Use Plan to see how it and our Unified Development Ordinance relate to affordability. Regarding the community land trust, he felt if it is going to be effective then it should be inspired by the private sector

Councilwoman Wisler struggled on the question of balancing spending \$1 Million to benefit 100 families vs. spending \$1 Million to benefit a large group of people, i.e., increasing bus service.

Mayor Manheimer wanted to leverage dollars to get the greater change in trying to end the cycle of poverty.

Councilman Smith felt that affordable housing is a top priority for this City Council. He felt we may be missing the residential density in commercial districts. As we are trying to bring more partners forward, having that sort of voluntary affordable housing inclusion on those corridors invites private sector developers to be there in a way that some of the other programs don't. Also, the reform of our Land Use Incentive Grant is underway and that will also invite partners to join the City. The 2025 Comprehensive Land Use Plan revisit will look at different ways of approaching our urban landscape.

Councilman Davis was frustrated that employers who pay higher wages are locating just outside the bus range. City Council needs to find a way to incentivize higher-wage jobs being located closer to our transit lines and trying to find ways to raise people's ability to get those jobs.

Councilman Pelly supported us allowing more density in residential neighborhoods only if there is an increased percentage of amenities. He also felt we should look for ways to incentivize developers to want to provide affordable units.

Councilman Bothwell wondered how strategies from gentrification studies worked in other cities.

After Council members discussed the policy guidance questions, it was the consensus of Council that staff continue to proceed in this direction.

Mayor Manheimer said that there will be ample opportunity for community input into this process.

Mr. Staudinger said that staff will follow-up on answers not readily available, i.e., statistics of workforce vs. affordable; and studies of how the interplay of transportation and housing work in other cities.

Next steps is that (1) staff to report on progress regularly to Council committees; (2) staff to incorporate feedback from today into strategy and action items; and (3) City Council to adopt strategy and work program for next 12 months.

Mayor Manheimer adjourned the worksession at 4:34 p.m.

#### Regular Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Marc W. Hunt; Councilman Cecil Bothwell; Councilman Jan B. Davis; Councilman Christopher A. Pelly; Councilman Gordon D. Smith; Councilwoman Gwen C. Wisler; City Manager Gary W. Jackson; City Attorney Robin T. Currin; and City Clerk Magdalen Burleson

Absent: None

#### **PLEDGE OF ALLEGIANCE**

Mayor Manheimer led City Council in the Pledge of Allegiance.

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

Mayor Manheimer said that earlier today there was an official recognition of the Sister City delegation from Valladolid, Mexico, and a proclamation proclaiming October 2014 as "Sister City Month."

City Manager Jackson was pleased to introduce Mr. Terrell Mwetta, Senior at A.C. Reynolds High School, who is working on his civics project.

##### **A. RECOGNITION OF ASHEVILLE TOURISTS - 2014 SOUTH ATLANTIC LEAGUE CHAMPIONS**

Mayor Manheimer was pleased to recognize the Asheville Tourists for their winning the 2014 South Atlantic League Champions. Mr. Brian DeWine, President of the Asheville Tourists, was present to thank the City of Asheville for being a wonderful partner for several years and this particular group of City Council members who have gone above and beyond to support them.

##### **B. PROCLAMATION PROCLAIMING OCTOBER 24, 2014, AS "FOOD DAY"**

Mayor Manheimer read the proclamation proclaiming October 24, 2014, as "Food Day" in the City of Asheville. She presented the proclamation to Ms. Melanie Brethauer, representing the Asheville-Buncombe Food Policy Council, who briefed City Council on some activities taking place during the day.

#### **II. CONSENT AGENDA:**

##### **A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON SEPTEMBER 23, 2014**

##### **B. RESOLUTION NO. 14-231 - RESOLUTION ADOPTING A POLICY TO NAME CREEKS AND STREAMS IN ASHEVILLE**

Summary: The consideration of a resolution adopting a policy that outlines the City's community partnership on the naming of creeks and streams.

In August of this year, RiverLink approached City staff with a request to sign a U.S. Geological Survey naming proposal form. City staff noted that while Council had recently adopted policy on naming of City owned buildings and other assets, no policy direction exists to support the naming of natural bodies such as creeks and streams. Staff now asks for Council guidance.

The Asheville Area Riverfront Redevelopment Commission, reviewed this request on August 11, 2014, and voted unanimously to approve the following motion: "We advise Council to adopt a policy that outlines the process for naming of creeks and streams in Asheville. A suggested process that can be used as policy ... with this resolution." In addition, the Planning and Economic Development Committee reviewed the item at their September 16, 2014, meeting and voiced support for the policy and asked that this item be moved to Council's consent agenda.

Pros:

- Adopting this policy provides guidance for staff when citizens or community groups are interested in naming a creek in their community
- Supporting this community-driven effort further develops partnerships between the City of Asheville, neighborhood and business organizations, City advisory boards, and non-governmental organizations

Con:

- None identified

City staff recommends City Council adopt a resolution outlining the policy for naming of creeks and streams.

#### **RESOLUTION BOOK NO. 36 - PAGE 384**

#### **C. RESOLUTION NO. 14-232 - RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A U.S. GEOLOGICAL SURVEY APPLICATION TO NAME A CREEK IN WEST ASHEVILLE "PENLAND CREEK"**

The consideration to authorize City Manager to sign U.S. Geological Survey application to name a creek in West Asheville "Penland Creek."

As part of their "Name that Creek" program, Riverlink recently performed a community engagement process to gather nominations and identify a preferred name for the short creek that runs along Waynesville Avenue in West Asheville, through the New Belgium Brewing site, and into the French Broad River. This is the same creek that will receive a stream restoration treatment as part of the partnership with RiverLink and the Clean Water Management Trust Fund for Craven Street Improvements.

The community chose the name "Penland Creek" in honor of the Penland family businesses that contributed to the West Asheville and the riverfront's cultural and economic development starting in the 1950's. The Penland family was then contacted to insure that there were no objections to using their name in this manner.

In order to complete the application to the United States Geological Naming Convention form to name this water body "Penland Creek", a local government official must sign the form to demonstrate support and to certify that the naming process followed U.S. Geological Survey (USGS) guidelines. This is a consideration for Council to support that USGS process and authorize the City Manager to sign the USGS form.

The Asheville Area Riverfront Redevelopment Commission reviewed this request on August 11, 2014, and voted unanimously to approve the following motion: "We advise Council to support the proposed name of "Penland Creek" for the stream in West Asheville flowing through the New Belgium site into the French Broad River." In addition, the Planning and Economic Development Committee reviewed the item at their September 16, 2014, meeting and voiced support for the naming and asked that this item be moved to Council's consent agenda.

Pros:

- Naming of a creek or stream can bring attention to its existence, help identify it as a part of neighborhoods ecosystem, and encourage environmental stewardship that enhances quality of life.
- Supporting this community-driven effort further develops partnerships between groups like RiverLink, EWANA, New Belgium Brewing, RADA and RADBA, and the City of Asheville.

Con:

- None identified.

City staff recommends City Council authorize the City Manager to sign the USGS form to name the creek in West Asheville "Penland Creek."

**RESOLUTION BOOK NO. 36 - PAGE 386**

**D. RESOLUTION NO. 14-233 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH COOPER CONSTRUCTION COMPANY INC. FOR THE VAULT RENEWALS AND ZONE METERING PROJECT**

**ORDINANCE NO. 4353 - BUDGET AMENDMENT FOR THE VAULT RENEWALS AND ZONE METERING PROJECT**

Summary: The consideration of the following items relative to the Vault Renewals and Zone Metering Project ('Project'): (1) resolution authorizing the City Manager to enter into a construction agreement with Cooper Construction Company, Inc., for the bid amount of \$1,287,380; (2) contingency amount of \$128,738 for a total project budget in the amount of \$1,416,118; and (3) budget amendment in the amount of \$500,000 to combine two capital projects into one in order to save time and money in the bidding and contract administration process.

The Project consists of all materials, labor, incidentals, and equipment necessary for the installation of zone meter vaults with Supervisory Control and Data Acquisition (SCADA) improvements and appurtenances at multiple job sites located within the City of Asheville's Water System. Additionally, there are improvements to be constructed at multiple customer meter points of service throughout the system. These improvements include vault improvements, vault replacements, meter installations and appurtenances at 40 sites. The zone meter installations will provide critical information for improved water auditing and water loss tracking. The customer vault / meter renewals will improve metering accuracies for some of the system's highest volume consumers and also correct safety issues for workers.

The Water Resources Department (WRD) issued an Advertisement For Bids for the construction project. In response to the Advertisement for Bids, the WRD received one bid on September 9, 2014. Bids were not opened due to formal bidding statues requiring at least three bids for the initial opening. The WRD issued a Re-Advertisement For Bids for the construction project. In response to the Re-Advertisement for Bids, the WRD received two bids on September 23, 2014. Companies responding were:

1. Cooper Construction Company, Inc. – Hendersonville, NC
2. Pipeline Utilities, Inc. – Raleigh, NC

Following a review of bids by City staff and the project engineers, Cavanaugh and Associates PA, Cooper Construction Company, Inc., was selected as the lowest responsible, responsive bidder for the bid amount of \$1,287,380. A contingency amount of \$128,738 has been added for a total project budget in the amount of \$1,416,118.

Pros:

- This project will provide critical information for improved water auditing and water loss tracking, improve metering accuracies for some of the system’s highest volume consumers and correct safety issues for workers.
- This project is aligned with the City and WRD’s goal of continued investment and improvement of the City’s water system through Capital Improvement Projects, in order to provide safe and reliable service. It will make our water system more sustainable and efficient.
- Approval of the construction contract to the lowest responsible, responsive bidder will invest City funds in the local economy.

Con:

- Failure to award a construction contract would prevent the completion of this waterline system improvement and goal of continued investment in our infrastructure.

The Water Resources Department currently has \$1,266,624 budgeted for this Project. The remaining funds needed for the contract and to combine two capital projects into one project will be transferred from the Pump Station Meters Project. The Pump Station Meters Project was going to be bid as a separate project, but the project engineers advised WRD to combine the projects in order to save time and money in the bidding and contract administration process. The entire balance of \$500,000 will be transferred out of the Pump Station Meters Project. In order to transfer the funds, a budget amendment is necessary.

Amount in Meter/Vault Project Budget	\$1,266,624
<u>Transfer from Pump Station Meters Project</u>	<u>\$ 500,000</u>
Total Meter/Vault Project Budget	\$1,766,624
<u>Amount Needed for Construction Contract</u>	<u>\$1,416,118</u>
Available Balance in Meter/Vault Project for Future Contracts	\$ 350,506

This will leave a balance of \$0 in the Pump Station Meters Project, which will be made inactive and closed out.

City staff recommends City Council authorize the following relative to the Vault Renewals and Zone Metering Project: (1) a resolution authorizing the City Manager to enter into a construction agreement with Cooper Construction Company, Inc., for the bid amount of \$1,287,380; (2) contingency amount of \$128,738 for a total project budget in the amount of \$1,416,118; and (3) budget amendment in the amount of \$500,000 to combine two capital projects into one in order to save time and money in the bidding and contract administration process.

Mr. Ken Michalove questioned if it is standard operating procedure to adopt budget amendments to the operating and capital budgets from time to time, then why was it not done as it relates to the Pack Place and the Art Museum in the capital budget for 2014 and 2015.

**RESOLUTION BOOK NO. 36 - PAGE 387**  
**ORDINANCE NO. 29 - PAGE 251**

**E. RESOLUTION NO. 14-234 - RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AN AMENDMENT TO THE JUST FOLKS AGREEMENT**

Summary: The consideration of a resolution authorizing the City Manager to sign an amended Adopt-a-Park Agreement with Just Folks to include a waiver of permit fees in addition to the approved waiver for park use fees for Triangle Park for Fiscal Year (FY) 2014-2015.

Just Folks is a local non-profit organization whose primary purpose is to support community-building activities in the Eagle/Market Street area known as "The Block". On May 27, 2014, City Council approved a resolution authorizing the City Manager to sign an Adopt-a-Park Agreement with Just Folks that included a waiver of park use fees of up to \$2,500. The waiver has made it possible for them to produce events that activate Triangle Park by providing a variety of positive activities including music festivals, community cookouts and other community-building events in the Park May to December on Saturdays and Sundays. These events have activated the area for more positive uses which has resulted in this area being frequented by a more diverse group of city residents and visitors.

Since May 2014, Just Folks has expanded the activities included in their events so tents and food preparation are required in the park. This in turn has necessitated additional permit fees for tent use and operational fire purposes. The City Legal Department and the Special Events/Economic Development Specialist recommend amending the original agreement to include permit fees in order to make it possible for Just Folks to produce their events as planned for this fiscal year. The additional permitting fees are minimal and can still be covered by the original fee waiver amount of \$2,500.

The presence of Just Folks members and their programming in the park continues to contribute to the reduction of nuisance behaviors in and around the park and an improved appearance for the park. Over the past three years, its efforts have made the park safer and more attractive to downtown visitors and community members and helped the city meet specific City Council goals for economic and community development.

As a result, staff requests that the Adopt-a-Park agreement with Just Folks be amended for FY 2014-2015, to waive permit fees for its events in Triangle Park in an amount up to the previously approved \$2,500.

Pros:

- Strategic partnerships allow the city to leverage programming and events to reach a wider and more diverse audience.
- Provides additional quality cultural programming and diversity in a park that is generally not used for this type of event.
- Reduces staff time in processing fee waiver requests related to this group's events.
- This action is consistent with other partnerships the City has entered into for park programming in key community development areas.

Con:

- The inclusion of the permit fees in the agreement results in a loss of revenue; however, it does not change the impact of the original waiver which was not included in the FY 2014-2015 budget.

The estimated value of the waived park usage plus the permit fees remains to be \$2,500; however, this revenue has not been included in the FY 2014-2015 budget.

Staff recommends that City Council authorize the City Manager to sign an amended Adopt-a-Park Agreement with Just Folks that expands the previously approved park usage fee waiver to include the waiver of permit fees with its programming in Triangle Park.



**RESOLUTION BOOK NO. 36 - PAGE 389**

**F. RESOLUTION NO. 14-235 - RESOLUTION APPROVING THE 2013 LOCAL WATER SUPPLY PLAN**

Summary: The consideration of a resolution adopting the 2013 Local Water Supply Plan as required by N.C. Dept. of Environment and Natural Resources.

Every year, the Water Resources Department is required to complete a Local Water Supply Plan (LWSP) update. On September 12, 2014, the N.C. Dept. of Environment and Natural Resources (NCDENR) issued a letter stating that the department's 2013 LWSP is complete and must be adopted by the water system's governing board. The LWSP contains a variety of information about the City of Asheville's water system, including:

- The distribution system (i.e. types/sizes of water lines);
- Water conservation programs;
- Water use (i.e. number of metered connections and average use by customer type);
- Water sales to wholesale customers;
- Monthly withdrawals from reservoirs;
- Surface water sources (i.e. locations and average monthly withdrawals);
- Wastewater discharge by the Metropolitan Sewerage District (MSD);
- Present and projected population;
- Present and future water supplies; and
- Other relevant information as NCDENR may require.

In order for the 2013 LWSP to be compliant with N.C.G.S. §143-355(l), City Council must formally adopt the plan. Once the City Council adopts the 2013 LWSP, NC DENR will change the status of the report from "Provisional" to "Compliant".

Pro:

- Adoption of the 2013 LWSP will ensure compliance with N.C.G.S. §143-355(l).

Con:

- If the 2013 LWSP is not adopted, then the City will not be compliant with N.C.G.S. §143-355(l) and may be issued a Notice of Violation from NCDENR.

City staff recommends City Council adopt the 2013 Local Water Supply Plan.

**RESOLUTION BOOK NO. 36 - PAGE 390**

**G. RESOLUTION NO. 14-236 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH PATTON CONSTRUCTION GROUP INC. FOR THE LAKESHORE DRIVE SIDEWALK IMPROVEMENTS PROJECT**

**ORDINANCE NO. 4354 - BUDGET AMENDMENT FOR THE LAKESHORE DRIVE SIDEWALK IMPROVEMENTS PROJECT**

Summary: The consideration of (1) a resolution authorizing the City Manager to execute a contract with Patton Construction Group, Inc. for the amount of \$207,760 plus 15% contingency and any change orders within the project budget for the project known as Lakeshore Drive Sidewalk Improvements, City of Asheville Project #ENG-11-12-013; and (2) a budget amendment, in the amount of \$43,079.04 from savings in other sidewalk projects, to provide adequate funding for the contingency and the cost of staff time for this project.

This project will build a much needed sidewalk along Lakeshore Drive and provide connectivity for the community along Lakeshore Drive to Merrimon Avenue. Pedestrians currently must walk along the road shoulder or in the street itself. The scope of work includes the installation of sidewalk, stand-up curbing, drainage structures, wheelchair ramps, driveway aprons, and utility relocations. The bids were opened on September 30, 2014, and the following is the result:

Patton Construction Group Inc., Asheville, NC	\$207,760.00
Armen Construction, LLC, Charlotte, NC	\$232,155.00
Land of the Sun, Inc., d/b/a Fletcher Grading Contractors	\$272,936.25

Pros:

- Improves pedestrian safety.
- Encourages walking, thereby reducing carbon emissions.

Con:

- Project management and contract administration will consume staff time.

The project budget will be \$260,425.04. The budget amount consists of \$217,346.00 that was previously budgeted in the City's CIP, and \$43,079.04 that will be allocated from savings in other sidewalk projects.

City staff recommends the City Council a resolution awarding the contract to Patton Construction Group, Inc.; authorizing the City Manager to execute the contract and any change order within the budgeted amount of \$260,425.04; and adopt the associated budget amendment in the amount of \$43,079.04.

**RESOLUTION BOOK NO. 36 - PAGE 396  
ORDINANCE BOOK NO. 29 - PAGE 253**

**H. RESOLUTION NO. 14-237 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CHANGE ORDER WITH MCGILL ASSOCIATES FOR THE STORMWATER ON-CALL PROFESSIONAL SERVICES CONTRACT**

Summary: The consideration of a resolution authorizing the City Manager to execute a change order with McGill Associates for the Stormwater On-Call Professional Services Contract for additional professional services for completing the design and construction administration of various stormwater projects within the City.

On June 14, 2013, the City Manager executed a contract with McGill Associates for the professional services for the stormwater on-call projects. The contract was a two year contract in the amount of \$89,000. This change order will increase that contract amount to \$214,000. The City has utilized the contract to assist with the evaluation of the stormwater utility fees, public meeting to discuss the vulnerabilities of the City as it relates to stormwater, and projects such as Westwood Road (currently in construction) and Westover Drive (currently in final design). The City had previously selected McGill Associates through a Request for Qualifications process in which 15 other teams had submitted.

The ongoing contract will focus on construction actives and will allow city crews to focus on maintenance activities. This work will include the design of the projects, assistance with permitting and construction administration. This was the goal for the use of the stormwater utility fee is to utilize city crews to address the maintenance concerns that exist throughout the City.

Pros:

- Provides additional design services necessary for the on-call project
- Allows the City forces to focus on the maintenance needs and design and contract out the larger projects.
- Utilize the stormwater utility fee for construction related projects

Con:

- The project management and contract administration will consume staff time and City Funds

The City's Stormwater Utility will be responsible for the cost for the professional services contract. The total contract for professional services will now be \$214,000. Funding for this contract is included in the adopted FY 2014-15 Stormwater Fund budget.

City staff recommends City Council authorize the City Manager to execute change order with McGill Associates for the Stormwater On-Call Professional Services, said total professional services contract is not to exceed \$214,000.

**RESOLUTION BOOK NO. 36 - PAGE 397**

**I. RESOLUTION NO. 14-238 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH APPALACHIAN PAVING AND CONCRETE INC. FOR THE CONCRETE REPAIR - UTILITY CUT PROJECT**

Summary: The consideration of a resolution authorizing the City Manager to execute a contract in the amount of \$257,183.75 plus a contingency of \$42,816.25 (17%) for a total of \$300,000.00 with Appalachian Paving and Concrete, Inc. for the project known as Concrete Repair – Utility Cuts, City of Asheville Project # SP 14-15-001.

As part of the Street Cut Utility Program utilities that damage public concrete infrastructure during the installation or maintenance of their underground infrastructure do not perform repairs to the concrete. This is the second year that a private contractor has performed this service. The project was advertised on September 2, 2014, and the following bids were received:

Appalachian Paving and Concrete	Asheville, NC	\$257,183.75
Patton Construction Group	Arden, NC	\$262,235.00
Armen Construction	Charlotte, NC	\$443,300.00

After the bids were opened, Appalachian Paving and Concrete, Inc. of Asheville, NC, was the lowest responsible bidder with a bid of \$257,183.75. A contingency of \$42,816.25 (17%) has been added to allow payment for any unforeseen costs that typically arise during construction. The work produced from this contract will ensure that concrete infrastructure damaged during utility installation will be repaired in a timely manner.

Pro:

- The previous contract eliminated our backlog of repairs. This contract will ensure that another backlog does not occur.

Con:

- Project management and contract administration will consume staff time.

The Street Cut Utility Program is an enterprise fund that is funded by fees paid by the four partners participating in the program. The partners will be billed 100% of the repair cost meaning that the City realizes full cost recovery.

City staff recommends City Council adopt the resolution awarding the contract to Appalachian Paving and Concrete, Inc. and authorizing the City Manager to execute a contract in the amount of \$257,183.75 plus a contingency of \$42,186.25 (17%) with Appalachian Paving and Concrete, Inc. for the project known as Concrete Repair – Utility Cuts, City of Asheville Project # SP-14-15-001.

**RESOLUTION BOOK NO. 36 - PAGE 398**

**J. ORDINANCE NO. 4355- BUDGET AMENDMENT FOR ENERGY ASSESSMENT AT THE U.S. CELLULAR CENTER**

Summary: The consideration of a budget amendment from General Fund assigned fund balance to establish a FY15 budget in the amount of \$55,000 for contracting the engineering-level energy assessment of the US Cellular Center.

In April 2011 City Council approved a resolution to set the annual municipal carbon footprint reduction goal at 4%. The mechanism Council approved to fund this initiative is the Green Capital Improvement Program (Green CIP). Through the Green CIP, the City borrowed money to fund the installation of LED streetlights and is now using the operational energy savings from that project to pay off the debt and to fund other energy saving projects. This energy assessment will be paid for out of those operational energy savings.

The US Cellular Center is the City's most energy-intensive facility, spending over \$275,000 on utilities (electricity, natural gas and water/sewer) in FY14. Much of the USCC's heating, ventilation and air conditioning systems are still original from the 1970s construction, and are out of date and inefficient. This project would hire an engineering firm to do an in depth assessment of the USCC's HVAC, lighting, building envelope, plug load, controls, and water systems to determine what systems need attention soonest, and to develop a plan for deep energy savings at the facility. The \$55,000 includes a 10% contingency.

Pros:

- Energy/water savings opportunities identified by the project could cut consumption by 30-50%, or more
- Capital needs assessment of aging equipment will aid in replacement planning

Con:

- None foreseen

The energy assessment will be paid out of the General Fund, from the Sustainability Division's contracted services budget. The budget amendment will appropriate \$55,000 in LED streetlight savings which have been held in General Fund assigned fund balance; thus there will be no impact on the General Fund's unassigned fund balance.

City staff recommends City Council adopt a budget amendment to perform an energy assessment of the US Cellular Center.

**ORDINANCE BOOK NO. 29 - PAGE 255**

**K. ORDINANCE NO. 4356- BUDGET AMENDMENT TO SET UP PROJECT BUDGETS FOR JOB ACCESS AND REVERSE COMMUTE PROJECTS**

Summary: The consideration of a budget ordinance amendment in the City's Special Revenue Fund in the amount of \$155,342 to set up the project budgets for the following Job Access and Reverse Commute (JARC) projects: 1) the Black Mountain Trailblazer route, which is operated by Mountain Mobility (Buncombe County); and 2) Employment trips to Buncombe County, which is a service provided by Mountain Projects (Haywood County).

The City of Asheville is the designated recipient of the Job Access and Reverse Commute (JARC), which is a program of the Federal Transit Administration (FTA). JARC is a formula grant program oriented to provide job access in the urbanized and suburbanized area. The formula is based on the number of eligible low-income and welfare recipients in these areas.

The job access refers to projects relating to the development and maintenance of transportation services designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment.

The reverse commute refers to a public transportation project designed to transport residents of urbanized areas and other than urbanized areas to suburban employment opportunities.

To be eligible, the program requires an intensive planning process and the development of a Coordinated Public Transportation and Human Services Transportation Plan or CTP-HSTP based on community participation. The CTP-HSTP was developed in conjunction with the French Broad Metropolitan Planning Organization (FBRMPO), Buncombe, Henderson and Haywood Counties, human services agencies, public and private transportation providers, the North Carolina Department of Transportation and the general public to assess current transportation needs, identify gaps and to set goals. The plan was approved on March 29, 2012 by the French Broad River MPO's governing body (the Transportation Advisory Committee), which includes elected representatives from each of the eighteen local governments which make up the MPO. The CTP-HSTP set the rules to apply for projects and the projects were selected in a competitive process that was approved by the TAC.

This year's JARC projects were funded through the Statewide 2011 JARC 5316 allocation with funds that were turned over to the City of Asheville from the North Carolina Department of Transportation, as the funds were expiring in September 2014 and the FBRMPO region had already the process in place to select the new round of JARC projects.

In June 26, 2014, the projects below were selected as sub-recipients of the JARC grant. The projects are listed as follows:

Sub-Recipient	Project	Amount funded	Sub-Recipient's match
Buncombe County	Black Mountain Trailblazer	\$115,381	\$115,381
Mountain Projects – Haywood County Transit	Employment trips to Buncombe County	\$39,961	\$39,961
City of Asheville	ART Sunday Service	\$112,131	\$112,131
City of Asheville	Program Administration	\$21,033	N/A

The City of Asheville components of the project (ART Sunday Service and Program Administration) will be accounted for in the Transit Services operating fund, and a budget amendment is not needed for those parts of the grant. The City, however, does need to set up a project budget in the Special Revenue Fund in order to pass through the funds to the other sub-recipients.

Pros:

- Project funding is provided by the FTA, 50% for operating projects and 80% of capital projects. The sub-recipients are responsible for the local match.
- The city can use \$21,033 for administration purposes.

Con:

- None.

The amount of grant funding that will be received through the JARC program to support local transportation programs totals \$288,506. Buncombe County and Mountain Projects will be responsible for their sub-recipient matches. A portion (\$80,000) of the City of Asheville's local match for ART Sunday service is included in the adopted FY 2014-15 Transit Operating Fund budget. The remaining match requirement will be part of the FY 2015-16 budget.

Staff recommends that City Council adopt a budget ordinance amendment in the City's Special Revenue Fund in the amount of \$155,342 to set up the project budgets for the following Job Access and Reverse Commute (JARC) projects: 1) the Black Mountain Trailblazer route, which is operated by Mountain Mobility (Buncombe County); and 2) Employment trips to Buncombe County, which is a service provided by Mountain Projects (Haywood County).

**ORDINANCE BOOK NO. 29 - PAGE 257**

**L. ORDINANCE NO. 4358 - BUDGET AMENDMENT FOR TRAFFIC SIGNAL POLE REPLACEMENT**

Summary: The consideration of a budget amendment in the General Fund in the amount of \$16,590 from insurance recovery funds from a damaged traffic signal pole to utilize towards the purchase of a new traffic signal pole.

On May 23, 2013, a City of Asheville traffic signal pole was knocked down by a third-party at the French Broad Street - Patton Avenue intersection and the City settled the property damage claim for \$16,590. A temporary traffic signal control was installed to ensure traffic safety, however the Transportation Department seeks to utilize the settlement funds to purchase a permanent traffic signal pole.

Pro:

- Provides funding for Transportation Department traffic signal pole purchase.

Con:

- None.

The insurance recovery funds will be received in the City's Property & Liability Fund and then be transferred to the City's General Fund, where the traffic signal pole purchase will be made.

City staff recommends City Council adopt the budget amendment in the General Fund in the amount of \$16,590 from insurance recovery funds to be utilized towards the purchase of a Transportation Department traffic signal pole.

**ORDINANCE BOOK NO. 29 - PAGE 259**

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

Mayor Manheimer 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 Hunt moved for the adoption of the Consent Agenda. This motion was seconded by Councilwoman Wisler and carried unanimously.

**III. PRESENTATIONS & REPORTS: None.**

**IV. PUBLIC HEARINGS:**

**A. CONTINUATION OF PUBLIC HEARING TO CONSIDER CONDITIONAL ZONING OF GREYMONT VILLAGE APARTMENTS LOCATED ON SARDIS ROAD FROM INDUSTRIAL DISTRICT AND COMMERCIAL INDUSTRIAL DISTRICT TO RM-16 RESIDENTIAL MULTI-FAMILY HIGH DENSITY DISTRICT/CONDITIONAL ZONING FOR THE CONSTRUCTION FO A MULTI-FAMILY APARTMENT DEVELOPMENT**

At the request of the petitioner, Councilman Smith moved to continue this public hearing until December 9, 2014. This motion was seconded by Councilman Bothwell and carried unanimously.

**B. PUBLIC HEARINGS TO CONSIDER THE CREATION OF A MUNICIPAL SERVICE DISTRICT FOR THE RIVER ARTS DISTRICT, THE SOUTH SLOPE EXTENSION, AND CHARLOTTE STREET CORRIDOR**

Executive Director of Planning and Multimodal Transportation Cathy Ball said that this is the consideration of the adoption of three Municipal Service Districts (MSD's) to include the River Arts District MSD, the South Slope Extension MSD, and the Charlotte Street Corridor MSD in accordance with Article 23 of Chapter 160A of the N.C. General Statutes. These public hearings were advertised on October 3, 2014.

Following City Council's adoption of the budget in June 2013 that included a 2-cent tax increase for Community and Economic Development Capital Improvement Program, staff has been working on an implementation plan. In addition to developing a list of specific projects that would have the greatest return on investment, we have been working with Parker Poe, the City's Bond Counsel on the best ways to finance infrastructure capital improvements. She provided a memorandum from Scott Leo, an attorney at Parker Poe, detailing various methods of financing.

For the majority of the projects we anticipate constructing, Parker Poe is recommending that we pursue Special Obligations Bonds (SOB's). The City has never utilized this type of financing. One of the requirements of SOB's is that they can only be used for projects that are contained in an adopted Municipal Service District (MSD). A MSD is a geographically defined, special taxing district in which a city may levy property taxes in addition to those levied throughout the city, or utilize SOB's, in order to finance, provide or maintain services, facilities or functions specifically authorized in N. C. General Statute sec. 160A-536 for that district. Allowed projects include, but are not limited to, urban revitalization projects, street and sidewalk improvements, drainage projects, and off-street parking facilities. There is no intent to increase the tax rate in these proposed districts at this time; as previously noted, the intent is to use special obligation bonds to fund any improvements. Municipal Service Districts is the legal term of the boundaries as stipulated in the N.C. General Statutes. Staff *recommends the working name of these districts be Innovation Districts.*

Staff is recommending the approval of three new MSD's this fiscal year. In 2013, City Council adopted a MSD for the Central Business District as recommended by the Business Increment Development (BID) Committee. The three additional areas are the Charlotte Street Corridor, the River Arts District and the South Slope Extension. These areas have planned infrastructure improvements in the proposed five-year capital improvement program.

Under Article 23 of Chapter 160A of the N. C. General Statutes, properties within these districts are legally eligible for an incremental tax increase. This action is not included in the request before you tonight. City Council would be required to take separate public action to establish an increase in taxes. Funding for the projects in these districts is included in the five-year capital improvement plan.

This item has been presented to the Planning and Economic Development and Finance Committees of City Council.

N.C. General Statutes require that any persons owning real or personal property within the district boundaries be notified of the public hearing to adopt these boundaries thirty days prior to the meeting. Notices went out to property owners on September 15, 2014. Additionally, the statutes require that a report describing the boundaries and the proposed improvements within the district be filed in the City Clerk's office thirty days prior to the public hearing. These reports were filed in the City Clerks office on September 15, 2014.

Staff held a drop-in meeting to answer community questions on October 6, 2014, and approximately 45 people attended the meeting.

Pro/Con Considerations:

- Allows funding mechanism for capital improvements at a lower interest rate and administrative cost than other funding methods.
- Article 23 of Chapter 160A of the N.C. General Statutes authorizes local governments to levy additional property taxes within MSD's. That is not the intention of staff to recommend this as an option or a reason to adopt a MSD. An MSD boundary must be adopted by City Council to utilize Special Obligation Bonds for specific capital projects. Staff is proposing a financing structure to pay the debt service on the bonds with funds from the 2 cent tax increase.

By utilizing Special Obligation Bonds, the City would save money on administration of issuing bonds as well as interest rates because the collateral for the bonds is more secure.

City staff recommends City Council adopt the three Municipal Service Districts (MSD's), hereinafter to be referred to as Innovation Districts, to include the River Arts District MSD, the South Slope Extension MSD, and the Charlotte Street Corridor MSD, in accordance with Article 23, Chapter 160A of the N.C. General Statutes.

#### **RESOLUTION NO. 14-240 - RESOLUTION CREATING A MUNICIPAL SERVICE DISTRICT FOR THE RIVER ARTS DISTRICT**

Ms. Ball said that some planned projects include the (1) River Arts Transportation Improvement Project; (2) Clingman Forest Greenway; (3) Town Branch Greenway; (4) 14 Riverside Drive; (5) Riverside Drive Development Plan; (6) Five-Points Round-About; (7) West-Side Greenways; and (8) low impact parking lot.

Mayor Manheimer opened the public hearing at 5:27 p.m.

Mr. Keith Jackson, owner of a residential lot on Grandview Street, said his lot is not in context with the properties included in the MSD. He was also concerned that the value of his lot will be diminished by moving the power lines closer to his property. He asked for confirmation that the service road from New Belgium to Amboy Road won't be used as a service road from New Belgium to move beer.



Brother Christopher Chiaronmonte said that this is the right of taxation without representation.

Ms. Wiggins, owner of residentially zoned lots, wants affordable housing or mixed-use housing in the area. She was concerned that the property owners will have to pay additional tax for the improvement maintenance.

Ms. Pattiy Torno, Chair of the Asheville Area Riverfront Redevelopment Commission, said that this is a way for the City to be able to finance infrastructure improvements. She spoke in support of the MSD.

A property owner on Riverview said his property was zoned residential and wondered what improvements he could expect.

Ms. Lisa Ramsey, owner of property on the edge of the RAD, was glad for any improvements to the area.

At 5:35 p.m., Mayor Manheimer closed the public hearing.

Ms. Ball responded to questions raised. She said that Ms. Wiggins' residential property is not included within the RAD MSD. Regarding Mr. Jackson's property, she said that the City obtained data from various sources and notified all real and personal property owners. It was difficult to sort out, so we erred on the side of sending the notices out to too many people. She would be happy to meet with Mr. Jackson and look at his property because she thought that on the west side of the river the only thing that was included was the area that Duke Progress owns for the greenway improvements. Regarding the question about the access road and the power lines, those are under the control of Duke Progress.

Councilman Bothwell opposed the downtown Business Improvement District because it was drawn to include a special tax for people in that area and a non-elected body to administer those taxes. We are not doing either of those in this case. Even though it does leave it open for a future Council to impose special taxes, he was comfortable in supporting this at this time.

Councilman Davis emphasized that this does not impose a special tax for people in that district. And, hopefully a return on investment will generate the cash flow that will enable the infrastructure changes, and the planning that takes place will make the property more valuable.

Councilman Smith said the reason we are doing this is to receive the Special Obligation Bonds in order to fund the infrastructure improvements rather than through property tax increases.

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

Councilman Bothwell moved for the adoption of Resolution No. 14-240, establishing the River Arts District MSD. This motion was seconded by Councilman Smith and carried unanimously.

#### **RESOLUTION BOOK NO. 36 – PAGE 403**

#### **RESOLUTION NO. 14-239 - RESOLUTION CREATING A MUNICIPAL SERVICE DISTRICT FOR THE SOUTH SLOPE EXTENSION**

Ms. Ball said that some planned projects include the (1) Lee Walker Heights mixed-use redevelopment; (2) south Charlotte Street mixed-use redevelopment; and (3) Hilliard Avenue mixed-use redevelopment.

Mayor Manheimer opened the public hearing at 5:40 p.m.

Brother Christopher Chiaromonte said that at anytime Council can decide to tax the people in that district.

The owner of property at 268 Biltmore Avenue asked what improvements are being planned for Biltmore Avenue.

Mr. Craig Jeffries, lives in the South Slope within the Central Business District, supported the Municipal Service Districts, but wanted to make sure that the word "Extension" was included in information regarding the South Slope Municipal Service District.

Mayor Manheimer closed the public hearing at 5:44 p.m.

Ms. Ball said that there is not a definite plan for Biltmore Avenue, but as part of the redevelopment area we would hope there is an opportunity to improve pedestrian and bicycle environment in that area. She encouraged the public to attend the multi-modal symposium on October 25, 2014, at the U.S. Cellular Center from 9:30 - 12:30 to get their views included in priorities in the plan.

Mayor Manheimer also noted that this particular area includes a complicated partnership to redevelop the Lee Walker Housing Project.

City Manager Jackson noted that the language of the resolution does include the word "Extension."

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

Councilwoman Wisler moved for the adoption of Resolution No. 14-239. This motion was seconded by Councilman Pelly and carried unanimously.

#### **RESOLUTION BOOK NO. 36 – PAGE 399**

#### **RESOLUTION NO. 14-241- RESOLUTION CREATING A MUNICIPAL SERVICE DISTRICT FOR NORTH CHARLOTTE STREET**

Ms. Ball said that some planned projects include multi-modal improvements to (1) widen sidewalks; (2) underground utilities; and (3) streetscape improvements.

Mayor Manheimer opened the public hearing at 5:46 p.m.

Mr. Steven Brady, owner of property on Charlotte Street, was concerned that at some point in time the debt will fall to the property owners to repay. He was also concerned about how the City will deal with little or no rights-of-way for sidewalks on Charlotte Street.

A resident on Montford Avenue was excited to see a neighborhood corridor and encouraged the Council to add as much on-street parking as possible to enhance the pedestrian experience and slow cars down.

Mr. Ken Michalove felt that Charlotte Street is a neighborhood street not a major traffic corridor. He felt that Merrimon Avenue is a major corridor and should be improved by the N.C. Dept. of Transportation. He felt it was wasteful to invest \$3 Million into Charlotte Street improvements.

Mayor Manheimer closed the public hearing at 5:52 p.m.

City Manager Jackson said that the debt is not tied to the property - it is city-wide debt.

Ms. Ball said that if the right-of-way for sidewalks is not available or occupied by a building, there may be instances where we would not get a full 10-foot width sidewalk. We might try to meander the sidewalk and there may be a short distance that we don't have a sidewalk. Until the design is complete, we don't know all the answers.

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

Councilwoman Wisler moved for the adoption of Resolution No. 14-241. This motion was seconded by Councilman Smith and carried unanimously.

#### **RESOLUTION BOOK NO. 36 – PAGE 407**

#### **E. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE REGARDING RESIDENTIAL DEVELOPMENT DENSITY STANDARDS IN CERTAIN COMMERCIAL ZONING DISTRICTS**

At staff's request, Councilman Davis moved to continue this public hearing until December 9, 2014. This motion was seconded by Councilman Pelly and carried unanimously.

#### **V. UNFINISHED BUSINESS:**

#### **A. GRAFFITI REMOVAL INITIATIVE**

Public Works Director Greg Shuler said that staff is requesting guidance from Council on how to best proceed with the Graffiti Removal Initiative as it relates to the removal of large sites.

On September 23, 2014, Council approved an extension of the \$500 clean up assistance to property owners that had graffiti on their property, and signed a waiver. This extension applies only to those that haven't taken advantage of the initiative previously. The timeframe for this extension lasts until September 30, 2015, or until the allocated funds have been spent.

There was much discussion on how better incentivize owners that had larger areas of graffiti to be removed. Council asked that staff return with more details and possibilities to fairly distribute funds and remove more graffiti.

Program goals include (1) remove graffiti; and (2) manage a sustainable program for long term success in the eradication of graffiti.

Once guidance from Council has been received, staff will abide by the approved ordinance to inform owners of the presence of graffiti on their property, and offer assistance as approved by Council, until the time extension has elapsed, or the allocated funds have been spent.

#### **Pros:**

- Potential increase in the removal of more graffiti in Asheville.
- A more vibrant, safer feeling community.
- Higher Quality of Life for our citizens

#### **Con:**

- City resources utilized on private property

The fiscal impact is that \$300,000 was already included in the FY 2014-15 general fund budget for contracts associated with the City's graffiti removal initiative. The FY 2014-15 adopted budget also includes \$200,000 for administrative costs associated with this program.

City staff requests that Council consider the alternatives and offer direction on how to proceed with the graffiti removal initiative.

As of October 13, 2014, the Clean-Up Initiative has funded graffiti removal of 198 incidents using 17% or \$50,400 of the allocated \$300,000. Our current inventory of known graffiti sites include 90 properties.

Staff has reached out to many of the property owners in the community to get a feel for why they haven't taken advantage of the initiative, or cleaned the their property on their own. The following are their responses: (1) Most stated that they felt it would just happen again; (2) They all stated that they had already cleaned the area before, only to have it vandalized again; (3) Most said that they couldn't afford to remove it; and (4) A few said they may pay a minimal amount towards the removal.

Out of the current inventory of 90 known graffiti sites, as of October 9, 2014, outstanding properties consist of \$0-500 - 64 properties; \$501-5,000 - 19 properties; \$5,001-10,000 - 3 properties; and \$10,001-28,000 - 4 properties.

Alternative Proposal #1 - Keep program as is. Pay \$500 as a one-time City contribution to remove graffiti on properties that haven't utilized the program before. Timeline would last until September 30, 2015, or until funds are exhausted.

Alternative Proposal #2 - 100% 1-time clean-up with no max amount. As of 10/09/2014 the program has spent \$50,400 on clean-ups. There are 90 outstanding properties with a projected clean-up cost of \$159,950. Equaling a projected total of \$210,350.

City staff recommends that we select the first alternate. Based on discussions with many of the owners with impacted properties, there doesn't seem to be an equitable way to distribute additional funds for the larger sites in this initiative.

Vice-Mayor Hunt noted that we need to make it clear that the duty is ultimately the responsibility of the land owner. City Attorney Currin said that there is a two-step enforcement process - one is to send a notice of removal and then is no response a subsequent notice of violation. Throughout that process staff will continue to work with the property owner.

It was the consensus of Council to proceed with the current program - Pay \$500 as a one-time City contribution to remove graffiti on properties that haven't utilized the program before. Timeline would last until September 30, 2015, or until funds are exhausted.

## **VI. NEW BUSINESS:**

- A. ORDINANCE NO. 4358 - BUDGET AMENDMENT TO APPROPRIATE ADDITIONAL FUNDS ANTICIPATED TO BE COLLECTED IN FISCAL YEAR 2014-15 FROM DEVELOPMENT SERVICES REVENUE GROWTH FOR ONGOING GENERAL FUND NEEDS AND TO APPROPRIATE EXCESS FUND BALANCE FROM THE HEALTH FUND AS A TRANSFER TO THE GENERAL FUND TO BE ALLOCATED FOR THE CLASSIFICATION AND COMPENSATION STUDY AND OTHER ONE-TIME NEEDS THAT BENEFIT ALL DEPARTMENTS**

**RESOLUTION NO. 14-242 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH SEGAL WATERS**

## **CONSULTING FOR A CITY-WIDE CLASSIFICATION AND COMPENSATION STUDY**

Assistant City Manager Paul Fetherston said that this is the consideration of (1) a budget amendment, in the amount of \$300,000, to appropriate additional funds anticipated to be collected in Fiscal Year 2014-15 from development services revenue growth for ongoing General Fund needs; (2) a budget amendment, in the amount of \$200,000, to appropriate excess fund balance from the Health Fund as a transfer to the General Fund to be allocated for the Classification and Compensation Study and other one-time needs that benefit all departments; and (3) a resolution authorizing the City Manager to sign a contract for \$150,000 with Segal Waters Consulting for a city-wide Classification and Compensation Study.

### *Development Related Revenue Growth*

As the local, regional and national economy continues to recover, the City of Asheville experienced a marked increase in development related revenue in Fiscal Year (FY) 2013-14 with \$1.1 million more collected than in FY 2012-13. While this increase was noted during the development of the FY 2014-15 budget, in an abundance of caution, additional development related revenue was budgeted at \$800,000 over FY 2013-2014 budget.

Development related revenue received in the first quarter of FY 2014-15 has been better than anticipated with more than \$850,000 collected by the end of September. If collections continue at this rate, total revenue for the year could be as much as \$3.4 million. Based on the healthy activity the City is experiencing in the area of development related revenue, staff recommends that Council consider and authorize an increase of \$300,000 in anticipated revenue which would raise revenue levels in FY 2014-15 to \$3.2 million. Staff is confident that this proposed increase in development related revenue is sustainable moving forward.

The corresponding expenditures for the increase in revenue would be focused on retention of resources in Development Services, and improvements in the effectiveness and function of the Human Resources and Communications departments.

As a result, the following is recommended for Council consideration and action:

- Amend the General Fund budget to allocate an additional \$300,000 in Development Services revenue to fund ongoing needs in the General Fund. Because this budget amendment increases both revenue and expenditures, there is no impact on General Fund balance.

If approved, the funds would be allocated as follows:

#### 1) Address retention in the Development Services Department (DSD)

The DSD is experiencing high turnover due to a number of factors including the (a) healthy economic recovery in the construction trade; and (b) salaries for the current incumbents are currently below market rates. The allocation of funds generated by development services to improve retention and make the department more competitive when hiring will significantly benefit the department, organization and the customer service the City is able to provide.

#### 2) Reengineer the Human Resources Department's (HR) internal service model – 2.0 FTE increase

In an effort to maximize support for departments in providing services to the community, HR has been evaluating its internal service model and has concluded that a change in organizational structure and a redefining of roles within the department will significantly

benefit the organization as a whole. HR intends to implement a Human Resource Consultant model in which full time employees in the role of HR Consultants will each be assigned to work with particular departments. This model allows each consultant to work as a strategic partner in supporting each department accomplish their goal and objectives, identifying opportunities and challenges, and working to improve internal customer service and efficiency.

3) Reengineer the City of Asheville Communication and Public Engagement Model – 1.0 FTE increase

In order to maximize the effectiveness of the Communication and Public Engagement Division, City Staff has proposed a model in which communication specialists will be assigned to specific departments within the City. This “embedded” model will allow the City to more effectively message taxpayer investments in core services, programs and projects and City Council vision and priorities to both the community and media. Assignments will rotate over time which will improve staff’s depth of knowledge and improve continuity of communication support for all levels of the organization both internally and externally.

*Health Fund*

The City of Asheville’s health insurance plan for employees is a self-insured program. This means that each year, the City budgets for a third party to administer its health insurance program based on actuarial estimates for claims. Depending on the City’s actual experience in health insurance claims, the city can run at estimate, at a deficit or at a surplus.

FY 2013-14 was a good year for the City’s self-insurance program. Revenues from premiums were approximately equal to expenditures on claims, leaving a \$2.4 million fund balance in the Health Fund. Based on existing City Policy, a balance of \$1.3 million is recommended to be held in reserve. As a result, the City currently has \$1.1 million available in unrestricted fund balance which can be reappropriated under certain circumstances.

Fund Balance, Health Fund:	\$2.4 million
Reserve Requirement:	<u>\$1.3 million</u>
Available unrestricted fund balance:	\$1.1 million

The following is recommended for Council consideration and action:

- Amend the Health Fund and the General Fund for a transfer of \$200,000 from the Health Fund to the General Fund for the classification and compensation study to be completed by Segal Waters Consulting and other city-wide needs and improvements.

The funds shall be allocated for the classification and compensation study which will be completed in time to influence the fiscal year 2015-16 budget process. Any remaining funds will be used to fund one-time expenditures that benefit the organization as a whole.

Segal Waters was selected after a Request for Proposal (RFP) process, staff review and interviews with the responding firms determined that the services offered by Segal Waters were the most compatible with City of Asheville goals.

Pros:

- Increased expertise and efficiency of Communications Department.
- Increased effectiveness of Human Resources.
- Improved meeting and training space.

Con:

- None.

The \$300,000 additional expenditures and offsetting revenue have a zero net effect on the General Fund financials. The transfer of \$200,000 from the Health Fund to the General Fund will decrease fund balance in the Health Fund. This transfer in will cover one-time expenditures anticipated to benefit all departments and will have zero net effect on the General Fund Financials.

City staff recommends City Council approve (1) the budget amendments in the amount of \$300,000 and \$200,000, to appropriate funds anticipated to be received from development services activity and a transfer from the Health Fund, respectively; and (3) adopt a resolution authorizing the City Manager to enter into a contract with Segal Waters Consulting for a Classification and Compensation Study.

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

Councilman Smith moved to adopt Ordinance No. 4358. This motion was seconded by Councilwoman Wisler and carried unanimously.

**ORDINANCE BOOK NO. 29 - PAGE 261**

Councilman Smith moved to adopt Resolution No. 14-242. This motion was seconded by Councilman Bothwell and carried unanimously.

**RESOLUTION BOOK NO. 36 - PAGE 411**

**B. BOARDS & COMMISSIONS**

Regarding the Recreation Board, the following individuals applied for the vacancy: Brian Rowland, Forrest P. Merithew and Dean Pistor. It was the consensus of Council to interview Brian Rowland and Forrest Merithew.

Regarding the Planning & Zoning Commission, the following individuals applied for a vacancy and completed the necessary paperwork: Mark DeVerges, Colin Dennehy, Laura Berner Hudson, Peter Alberice and Arthur Ollendorff; and the three seated members Jeremy Goldstein, Jane Mathews and Kristy Carter. Mr. Dean Pistor withdrew his application. Mr. Richard Fort and Mr. Eric Workman did not submit written responses and are not eligible to be considered. The Boards & Commissions Committee recommended, and it was the consensus of Council, to interview Laura Berner Hudson, Peter Alberice and Arthur Ollendorff; in addition to the three seated members Jeremy Goldstein, Jane Mathews and Kristy Carter. Interviews will be held on October 28, 2014.

**RESOLUTION NO. 14-243 - RESOLUTION APPOINTING MEMBERS TO THE HOMELESS INITIATIVE ADVISORY COMMITTEE**

Vice-Mayor Hunt, Chair of the Boards & Commissions Committee, said that this is the consideration of appointing members to the Homeless Initiative Advisory Committee.

The terms of Charles Rosenblum, Sabrah n'haRaven and Jay Lively expire on November 1, 2014.

The following individuals applied for a vacancy: Allison Bond, Carrie Pettler, Kristi Case and Warren Furmann.

The Boards & Commissions Committee recommended reappointing Mr. Rosenblum, Ms. n'haRaven and Mr. Lively.

Councilman Smith moved to reappoint Charles Rosenblum, Sabrah n'haRaven and Jay Lively as members to the Homeless Initiative Advisory Committee to each serve a three-year term, terms to expire November 1, 2017, or until their successors have been appointed. This motion was seconded by Councilman Pelly and carried unanimously.

**RESOLUTION BOOK NO. 36 – PAGE 412**

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

Mr. Michalove felt that terminating the lease between Pack Place and the City of Asheville was a "colossal illegal boondoggle." He provided Council with a list of at least 20 things he felt was wrong with the action.

Brother Christopher Chiaromonte felt that Council should reestablish prayer at City Council meetings.

Mr. Jonathan Robert felt there was severe mismanagement of the Asheville Police Department under Police Chief William Anderson.

Mr. Timothy Sadler thanked Council for their courage to fly the gay pride flag. He then suggested creating an Asheville Artists Residency Program.

Mr. Tim Harrison questioned if the City's policy on domestic partner benefits for City employees is now outdated and no longer needed.

Ms. Judy Strong was opposed to City Council flying the gay pride flag. She was also upset that City Council proceed with direct leases at Pack Place.

**Closed Session**

At 6:37 p.m., Councilwoman Wisler moved to go into closed session for the following reasons: (1) 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. Gen. Stat. § 143-318.10(3). The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(1); (2) To establish or to instruct the City's staff or negotiating agents concerning the position to be taken by or on behalf of the City in negotiating the terms of a contract for the acquisition of real property by purchase, option, exchange or lease. The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(5); and (3) To discuss matters relating to the location or expansion of industries. The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(4). This motion was seconded by Councilman Pelly and carried unanimously.

At 7:04 p.m., Vice-Mayor Hunt moved to come out of closed session. This motion was seconded by Councilman Smith and carried unanimously.

**VIII. ADJOURNMENT:**

Mayor Manheimer adjourned the meeting at 7:04 p.m.

---

CITY CLERK

---

MAYOR