

Tuesday – February 23, 2016 - 5:00 p.m.

Regular Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Gwen C. Wisler; Councilman Cecil Bothwell; Councilman Brian D. Haynes; Councilwoman Julie V. Mayfield; Councilman Gordon D. Smith; Councilman W. Keith Young; 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:

II. CONSENT AGENDA:

- A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON JANUARY 26, 2016; AND THE CITY COUNCIL RETREAT MINUTES HELD ON JANUARY 29-30, 2016**
- B. MOTION APPROVING THE BOARD OF ALCOHOLIC BEVERAGE CONTROL'S TRAVEL POLICIES ADOPTED JANUARY 26, 2016**

Summary: In order to meet the requirements of Chapter 18B-700, Article 7 (g) (2), the Asheville ABC Board seeks to continue to use the travel policies of its appointing authority, the City of Asheville. Section (g) (2) states, "The local board shall annually provide the appointing authority's written confirmation of such approval ..." The ABC Board approved the current policy on January 26, 2016. This year the ABC Board incorporated all the elements to changes in the City's Travel Policy.

The Asheville ABC Board is requesting formal written confirmation of the approval of the Asheville Board of Alcoholic Control Travel Policy.

- C. ORDINANCE NO. 4479 - BUDGET AMENDMENT FROM ASHEVILLE-BUNCOMBE TECHNICAL COMMUNITY COLLEGE IN ORDER TO INSTALL A TRAFFIC SIGNAL AT THE INTERSECTION OF VICTORIA ROAD AND FERNIHURST DRIVE**

Summary: The consideration of a budget amendment in the amount of \$50,000 to accept funding from Asheville-Buncombe Technical Community College in order to install a traffic signal at the intersection of Victoria Road and Fernihurst Drive.

Asheville-Buncombe Technical Community College's (A-B Tech) recent construction of a 650-space parking garage on Fernihurst Drive and the growth of the college's programs have caused the pedestrian and vehicular traffic at the subject intersection to meet traffic signal warrants. A-B Tech has requested the City to partner with them to install a traffic signal and they have agreed to provide most of the necessary funding. The Traffic Engineering Division will furnish a traffic signal controller and cabinet out of its inventory (valued at \$15,000). In addition, the Traffic Engineering Division will purchase the remaining equipment and will prepare and manage the contract for the installation of the traffic signal including the appropriate inspections.

Pros:

- Provides a needed traffic signal at a busy intersection on a city-maintained street.

- Provides ADA accessible pedestrian features at an intersection heavily used by pedestrians.
- Encourages pedestrians to use an accessible and protected crossing.
- Funding provided by A-B Tech (\$50,000).
- Good partnership opportunity between the City and A-B Tech.

Cons:

- City is providing the signal controller and cabinet (valued at \$15,000).
- City is preparing and managing the contract including inspections.
- City is responsible for future maintenance cost.

The total estimated cost of the project is \$65,000. A-B Tech will provide \$50,000 for the project and the City will provide the signal controller and cabinet (valued at \$15,000) out of its inventory. Future ongoing maintenance costs will be absorbed by the Transportation Department's (Traffic Engineering Division) operating budget.

Staff recommends that City Council approve a budget amendment in the amount of \$50,000 to accept and expend funds provided by A-B Tech to install a traffic signal at the intersection of Victoria Road and Fernihurst Drive.

ORDINANCE BOOK NO. 30 - PAGE 227

D. RESOLUTION NO. 16-35 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH COOPER CONSTRUCTION COMPANY INC. FOR THE ANGLE STREET BRICK SIDEWALK REHABILITATION PROJECT

Summary: The consideration of a resolution authorizing the City Manager to execute a contract in the amount of \$161,999 plus a contingency of 20% (\$32,400) with Cooper Construction Company, Inc. for the project known as Angle Street Brick Sidewalk Rehabilitation, City of Asheville Project #TR-15-16-010.

This contract is for the rehabilitation of brick sidewalks along Angle Street in Biltmore Village. Currently, the sidewalks have numerous trip hazards that have resulted in several falls by pedestrians. The trip hazards have been caused by a combination of tree roots pushing sections of the sidewalks out of alignment and a lack of lateral support for the sidewalks. This contract will address both issues. The project was advertised on December 15, 2015, and bids were opened on January 14, 2016, with the following results:

Cooper Construction Company, Inc., Flat Rock, NC	\$161,999
Graham County Land Company, LLC, Robbinsville, NC	\$227,020
Patton Construction Group, Inc., Arden, NC	\$242,200

The project has been coordinated with AB Tech and Asheville High School to minimize the impact it will have on access to the campus during the school year. Staff has also coordinated with Public Works on a related street project to ensure that the overlay of this road will occur upon completion of the water line installation. The coordination of these activities will help to reduce the impact and inconvenience to local residents and other users of this road.

Pros:

- Will correct a number of sidewalk trip hazards on Angle Street.
- Will address ADA issues such as lack of or improper ADA ramps.

Cons:

- Project management and contract administration will consume staff time.

- Will not address all of Biltmore Village.

The Public Works Department has set aside \$250,000 for the proposed Angle Street Brick Sidewalk Rehabilitation project as part of the \$2.0 million FY 2016 Streets and Sidewalk Program CIP allocation.

City staff recommends City Council adopt the attached resolution awarding the contract to Cooper Construction, Inc. and authorizing the City Manager to execute a contract in the amount of \$161,999 plus a contingency of 20% (\$32,400) with Cooper Construction Company, Inc. for the project known as Angle Street Brick Sidewalk Rehabilitation, City of Asheville Project # TR-15-16-010.

RESOLUTION BOOK NO. 37 - PAGE 384

E. MOTION SETTING A PUBLIC HEARING ON MARCH 8, 2016, TO CONSIDER RENAMING TWO DISCONNECTED PORTIONS OF MERRITT STREET TO "BIRD DOG WAY" FOR THE SOUTH SECTION AND "MERRITT PARK LANE" FOR THE NORTH SECTION

Summary: The consideration of a motion setting a public hearing for March 8, 2016, to consider renaming two disconnected portions of Merritt Street to "Bird Dog Way" for the south section and "Merritt Park Lane" for the north section.

The duplication of street names has the potential for misdirection or miscommunication, which can hinder the response of emergency services. The attached map shows two street segments with the exact same duplicated name. Property owners along the south section of Merritt Street brought this to staff's attention when they petitioned the City of Asheville to rename their portion to "Bird Dog Way." Both the north and south street segments are currently City maintained streets. The street segments no longer connect. No useable street surface is located between these street segments. Staff learned of another street named Merritt located outside the City limits in the nearby 28806 zip code. Therefore staff recommends the north section be renamed "Merritt Park Lane." Only one house address would be affected by this renaming. The owner / occupants of that home are the persons petitioning for the re-naming.

The Public Safety Committee reviewed a request to eliminate the duplicate street name on January 25, 2016, and they recommended it be forwarded to the full Council for approval.

Pro:

- Potential emergency response will be enhanced with specific unique street names.

Con:

- Cost of labor of replacing two street name signs.

The cost to re-install new street name sign blades to the existing poles are about \$100 each and is included in the current operating budget for the Transportation Department.

City staff recommends City Council set a public hearing for March 8, 2016, to consider renaming two disconnected portions of Merritt Street to "Bird Dog Way" for the south section and "Merritt Park Lane" for the north section.

F. ORDINANCE NO. 4480 - ORDINANCE AMENDING THE FISCAL YEAR 2015-16 FEES & CHARGES MANUAL

PROPOSAL TO CONDUCT A 90-DAY TEST OF SINGLE-SPACE ELECTRONIC METERS FOR ON-STREET METERED PARKING

Summary: The consideration of a proposal for the Parking Services Division to conduct a 90-day test of single-space electronic (smart) meters for on-street metered parking and, in furtherance thereof, an amendment to the Fiscal Year 2015-16 Fees and Charges Manual to remove the convenience fee for credit/debit cards usage at on-street parking meters.

90-Day Test of Single-Space (Smart) Meters for On-Street Metered Parking.

Currently, parking meters are only located in the downtown central business district as determined by City Council (Asheville Code Section # 19-162 Meter Zones) and there are 765 metered on-street parking spaces in this area. The existing parking meters only accept coins and most of them have been in place for several years. The City also uses "Passport Parking" (a pay-by-phone system), which enables customers to use a debit or credit card.

Due to ever increasing and ongoing maintenance issues, staff is planning to begin replacing the parking meters in Fiscal Year 2016-17. Originally, we hoped to be able to find new parking meters that only accepted coins but our research is verifying that the equipment is becoming obsolete and we are concerned that in a very few years, it might not be available any longer. So, we are now considering single-space smart meters.

In order to help with our decision process, we will be conducting a 90-day test period at 35 parking spaces in the Grove Arcade area beginning in March 2016 using IPS M5 parking meters. These parking meters will accept coins, debit cards, credit cards, and Passport Parking. In addition, they are capable of variable pricing which is one of the strategies that will be researched in the Comprehensive Parking Study (RFP was released during January 2016). The parking meters use a comprehensive web-based management system (changes are accomplished via computer input) compared to the existing parking meters that require a person to physically go to each meter in order to make various changes.

Overview of Fees and Charges Manual Convenience Fee

The City Council began to assess a \$0.25 convenience fee for credit/debit card usage at on-street parking meters on August 14, 2012 (Ordinance # 4105). At the time this action was originally taken, Passport Parking was going to be tested, so this ordinance was enacted specifically for that system. However, once the City begins to test the electronic (smart) meters, this convenience fee would also apply to the use of credit/debit cards at electronic on-street parking meters.

In 2013, Visa and MasterCard changed their practices regarding the assessment of convenience fees for users of Visa and MasterCard credit and charge cards. While these companies allow the City to charge these users a convenience fee, they require the City to comply with certain requirements prior to doing so, including notice, disclosure, and rate requirements.

City staff has been working with the applicable parties to meet Visa and MasterCard's requirements. In the meantime, in order to allow Parking Services to proceed with the test of electronic meters, and to uniformly and consistently charge all users of these electronic meters, staff recommends that we stop charging the convenience fee for all users of on-street parking meters. The City will absorb any convenience fees into operating expenses along with the credit card fees.

This item was reviewed by the Finance Committee on January 26, 2016. The Finance Committee endorsed the recommended action and directed that it move forward to City Council for their review and action. Additionally, the Transportation Department Director, with concurrence

from the Chief Financial Officer, suggested that the City make the convenience fee optional, to make it easier for the City to reinstate the fee in the future if the City chooses.

The Legal Department reviewed the proposal from Finance Committee and recommended that we not make any fees in the Fees and Charges Manual optional; so that users are clearly informed of any fees. Therefore, staff recommends that we stop charging the convenience fee for on-street parking meters, by removing the fee from the Fiscal Year 2015-16 Fees and Charges Manual, and absorb the cost into operating expenses along with the credit card fees.

Pros:

- Enables customers to directly use credit or debit cards at meters, in addition to cash and Passport Parking.
- Enhances the Passport Parking option by “pushing” the data to the actual smart meter.
- All users of on-street parking meters are charged equally, regardless of the method of payment.

Cons:

- City absorbs convenience fees in operating budget (13% +/- of revenue generated by Passport Parking).
- City already absorbs credit card fees in operating budget (16% +/- of revenue generated by Passport Parking).

The total anticipated cost of the 90-day test is about \$800 and is currently budgeted in the Fiscal Year 2015-16 Parking Enterprise Fund Operating Budget. In addition, the total anticipated annual cost of the convenience fees is about \$21,000 which equates to 13% +/- of the revenue generated by Passport Parking. This cost is currently budgeted in the Fiscal Year 2015-16 Parking Enterprise Fund Operating Budget.

Staff recommends that City Council approve a proposal for the Parking Services Division to conduct a 90-day test of single-space electronic (smart) meters for on-street metered parking and an amendment to the Fiscal Year 2015-16 Fees and Charges Manual to remove the convenience fee for credit/debit cards usage at on-street parking meters.

ORDINANCE BOOK NO. 30 - PAGE 229

G. RESOLUTION NO. 16-36 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LICENSE AGREEMENT WITH VERIZON D/B/A BELL ATLANTIC MOBILE TO INSTALL ANTENNAS, CONDUIT, CABLING AND RELATED EQUIPMENT AT THE US CELLULAR CENTER

Summary: The consideration of a resolution authorizing the City Manager to execute a License Agreement with Bell Atlantic Mobile of Asheville, Inc. d/b/a/ Verizon Wireless for floor and cabling space within the building and antenna space on the roof on city-owned property at 87 Haywood Street, known as the U.S. Cellular Center.

The City of Asheville owns property at 87 Haywood Street, Asheville, NC, PIN #9649-31-3304-00000, known as the U.S. Cellular Center. Recently, Bell Atlantic Mobile of Asheville, Inc. d/b/a/ Verizon Wireless approached the City with a request to install cellular communication infrastructure within the building in order to better serve their customers. This infrastructure includes in-building equipment that will serve as boosters to cellular signal, and a roof antenna to support transmission of the signal. Verizon also wishes to secure an equipment room on the exhibition level of the US Cellular Center, within an existing storage room.

In consideration for this license, the City will receive a rental payment of \$9,600 per year, for a total term of ten (10) years. The rental rate will increase by 3% each year beginning in year three. Verizon will install a separate sub-meter for power and pay all associated fees for power

and installation. All exposed cabling and conduit to be covered or painted to the same color as the existing ceiling to blend in. There will be no signage using the name or logo associated with 'Verizon Wireless' within, or on the facility, inclusive of the door accessing Verizon's equipment room located on the Exhibition Level. Additionally, Verizon Wireless has agreed to install fiber optic lines throughout the building for the City's use, which upon installation will become the property of the City.

Staff, including U.S. Cellular Center management, information services and real estate management have reviewed this request and see no conflict with the ongoing operations of the U.S. Cellular Center. Real estate staff consulted with other municipal real estate departments in the City of Charlotte and City of Greensboro and confirmed that the pricing structure is considered fair market value for this type of installation. The installation of fiber optic cabling will serve the US Cellular Center by allowing future opportunity for wireless internet services as well as opportunity for installation of another in-building system with another wireless service provider. In order to ensure compliance with the US Cellular Center Naming Rights Agreement, staff contacted and they have no objection.

The Notice of Intent to enter into a License Agreement with USCOC was published on January 8, 2016, in the Asheville Citizen-Times. Over thirty days have passed since the publication and authorization to execute the License Agreement is being requested.

Pros:

- Additional Revenue to the US Cellular center
- Verizon to install fiber optic cabling for the City's use at no cost to the City, which will become property of the City
- Patrons of the US Cellular Center will see enhanced cellular signal for specific phone plans

Cons:

- None

In consideration for this license, the City will receive a rental payment of \$9,600 per year, and proceeds will benefit the US Cellular Center Enterprise fund.

City staff recommends City Council adopt a resolution authorizing the City Manager to execute a License Agreement with Bell Atlantic Mobile of Asheville, Inc. d/b/a/ Verizon Wireless for floor and cabling space within the building and antenna space on the roof on city-owned property at 87 Haywood Street, PIN #9649-31-3304-00000, known as the U.S. Cellular Center.

RESOLUTION BOOK NO. 37 - PAGE 385

H. RESOLUTION NO. 16-37 - RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A JOINT JURISDICTIONAL AGREEMENT WITH THE BOARD OF TRUSTEES OF ASHEVILLE-BUNCOMBE TECHNICAL COMMUNITY COLLEGE AND BUNCOMBE COUNTY TO EXPAND THE AB-TECH POLICE DEPARTMENT'S JURISDICTION

Summary: The consideration of a resolution authorizing the Mayor to enter into an agreement with the Board of Trustees of Asheville Buncombe Technical Community College ("A-B Tech") and Buncombe County to allow A-B Tech's Police Department to perform law enforcement activities and have the powers of arrest on real property leased by A-B Tech from the County in the vicinity of Victoria Road.

A-B Tech is expanding its campus onto property leased from the County at 93 Victoria Road (Pin# 9648-33-7732), and has requested the City and County enter into an agreement granting its police force authority to perform law enforcement activities and arrests on that specific

property as well other contiguous property owned by the County and leased by A-B Tech. Pursuant to N.C. Gen. Stat. § 115-21.1(b) the board of trustees of any community college that establishes a campus law enforcement agency may enter into joint agreements with the governing board of any municipality to extend the law enforcement authority of campus police officers into the municipality's jurisdiction.

The Asheville Police Department will continue to support the A-B Tech Police Department by providing additional public safety response to crimes in progress and technical law enforcement services such as investigative support or forensic processing per the terms of an existing mutual aid agreement.

Pros:

- Provides the A-B Tech Police Department with consistent jurisdiction to perform law enforcement activities and employ the power of arrest on property controlled by A-B Tech.
- Minimizes the need for response from the Asheville Police Department.

Cons:

- None noted.

There is no known fiscal impact associated with this amendment.

Staff recommends approval of a resolution authorizing the Mayor to enter into an agreement with the Board of Trustees of A-B Tech and Buncombe County to allow A-B Tech's Police Department to perform law enforcement activities and have the powers of arrest on real property leased by A-B Tech from the County in the vicinity of Victoria Road.

RESOLUTION BOOK NO. 37 - PAGE 386

I. RESOLUTION NO. 16-38 - RESOLUTION AUTHORIZING THE CITY MANAGER TO RECEIVE FUNDS FROM THE ASHEVILLE PARKS AND GREENWAYS FOUNDATION AND FRIENDS OF CONNECT BUNCOMBE TO CONDUCT A GREENWAY FEASIBILITY STUDY IN EAST ASHEVILLE

ORDINANCE NO. 4481 - BUDGET AMENDMENT TO APPROPRIATE DONATIONS TO FUND GREENWAY FEASIBILITY STUDY

Summary: The consideration of (1) a resolution authorizing the City Manager to receive funds from the Asheville Parks and Greenways Foundation and Friends of Connect Buncombe to conduct a greenway feasibility study in East Asheville; and (2) the associated budget amendment in the amount of \$37,000 to appropriate the donations to fund the study.

The Asheville Parks and Greenway Foundation and the Friends of Connect Buncombe have raised monies from various fundraising projects to fund a feasibility study for the first segment of the Swannanoa River Greenway Corridor. The Swannanoa River Greenway Corridor – Phase One will be a multi-use trail suitable for bike and pedestrian use. The study area will begin at the intersection of the South Tunnel Rd. and Swannanoa River Rd. It will terminate at the City-owned Nature Center and Recreation Park. This segment of greenway will also have connections to the River Bend Shopping Center and Highlands Brewing Co. The chosen consultant will work with an intra-departmental team within the City. This team will provide assistance via surveying and other in-house technical issues.

Once finished, this feasibility study will poise this project for engineering and final design work.

Pros:

- This project will be 100% funded by donations from private entities.
- This will be the first greenway study on the east side of town.

Con:

- Staff support will be needed to conduct this study

No monetary requirements needed from the City.

City staff recommends City Council approve a resolution authorizing the City Manager to accept donations to conduct this greenway feasibility study, and a budget amendment in the \$37,000 to appropriate the donations to fund the study.

Ms. Linda Giltz, representing Friends of Connect Buncombe, presented Mayor Manheimer with a check in the amount of \$15,000. On behalf of City Council, Mayor Manheimer thanked the Friends of Connect Buncombe and the Asheville Parks and Greenways Foundation for their donations.

**RESOLUTION BOOK NO. 37 - PAGE 387
ORDINANCE BOOK NO. 30 - PAGE 231**

J. RESOLUTION NO. 16-39 - RESOLUTION AUTHORIZING THE APPROVAL OF HOUSING TRUST FUND LOANS TO BEAUCATCHER PROPERTIES, LLC; BIOTAT, LLC; GROCE UNITED METHODIST CHURCH; HEARTHSTONE, LLC; AND LEAH AND JAMES KIM

Summary: The consideration of a resolution authorizing the approval of Housing Trust Fund loans to Beaucatcher Properties, LLC (\$390,000), Biotat, LLC (\$520,000), Groce United Methodist Church (\$30,000), Hearthstone, LLC (\$128,000), and Leah and James Kim (\$150,000).

Staff received six (6) Housing Trust Fund (HTF) applications for a total of \$1,330,000 requested funds. These applications were presented to the Housing and Community Development Committee (HCD) on January 19, 2016 and each was evaluated on its own merit. The HCD Committee allocated \$1,218,000 to the applicants.

The following applications have been recommended by the HCD for approval:

- 1) Virginia Avenue: Beaucatcher Properties LLC for the construction of a 6-unit affordable rental development in West Asheville, \$90,000.
- 2) Simpson Street: Beaucatcher Properties LLC for the construction of a 60-unit 100% affordable rental development in south-east Asheville, \$300,000.
- 3) Smith Mill Place: Biotat, LLC for the construction of a 72-unit rental development including 36 affordable units in West Asheville, \$520,000.
- 4) Epworth Building: Groce United Methodist Church for the construction of a 2 affordable rental units housing homeless with children in East Asheville, \$30,000.
- 5) Commonwealth Court: Hearthstone, LLC for the construction of 16 affordable rental units in South Asheville, \$128,000.

- 6) 25 White Pine: Leah and James Kim (Sole Proprietors) for the construction of 15 affordable units for veterans, \$150,000.

Beaucatcher Properties, LLC (\$390,000)

Virginia Avenue (\$90,000) - Beaucatcher Commons, LLC, has proposed a 6-unit infill development project including 3 lots on 0.5 total acres with a 3-BR single-family home and one garage apartment on each lot (the garages are also for rent, but are in addition to the unit rentals and are open to tenants outside the affordable housing market). The single-family homes will house those earning 80% AMI or less will have a 30 year affordability period and the garage apartments will house those earning 60% AMI or less (including vouchers – 50% AMI) with a 20 year affordability period. The project site is in West Asheville located 1 mile south of Haywood Road, .75 miles to a transit stop (.5 as the crow flies), and 3 miles to downtown. The site has sewer and water already on site and no zoning changes or conditional use permits are required. The project will have energy efficiency features such as air conditioner, heat pump, attic insulation, windows, low-flow toilets and shower heads. No units will be fully ADA accessible.

The application request results in the following terms, conditions, estimated development costs and subsidy allocation:

Proposed Loan Terms and Conditions							
	60% AMI Units	80% AMI Units	Loan Amount	Subsidy Per Unit	Interest Rate	Term (Years)	Type
Single Family Homes		3	\$45,000	\$15,000	4.50%	30	Fully Amortizing
Garage Apartments	3		\$45,000	\$15,000	2%	20	Interest Only (Special Terms)
Total	6		\$90,000				

Proposed Total Development Costs and Subsidy Allocations						
Total Loan Amount	Total Development Cost	Loan % of Total Development Cost	Total cost per unit	Est. Cost Per Square Foot	Additional Subsidy Request	Total Subsidy Per Unit
\$90,000	\$673,000	13%	\$112,167	\$97	None	\$15,000

Buncombe County has committed \$28,000 to the project and developer has committed \$40,000 in land equity, but no other financing commitments have been made. Conventional financing is expected in March 2016 and construction is anticipated to start in June 2016. The site is under contract and is scheduled to close in March 2016. As proposed, there is sufficient cash flow to cover the proposed debts and may even be in access. Developer has successfully completed projects with this model in the past and is ready to start when financing is secured.

Pros:

- Meets strategic goals by providing 50% 1-BR units @ 60% AMI
- Has \$28,000 financial commitment from Buncombe County
- 30 Year and 20 Year affordability periods – single-family and ADU respectively
- Offers homelessness transition from vouchers through Homeward Bound (50% AMI)
- Developer has history of successful projects of this kind

Cons:

- No conventional financing commitment has been received –\$485,000 proposed

- Location better suited for automobile owning tenants
- Project has a high debt-coverage ratio (1.41), which suggests full subsidy may not be necessary for project viability

Simpson Street (\$300,000) - Beucatcher Commons, LLC, has also proposed a 60-unit rental development project with 60 1-BR units and all rents below 60% AMI and/or voucher accepted (50% AMI). The project is in its early planning stages and only concept plans and elevations are prepared at this time, but the project is designed to be modular construction with parking provided under the buildings; it will contain energy efficiency features, 5% of the units will be fully ADA accessible, and have a 20 year affordability period. The project does require a 100% bonus density increase and conditional use permit, which requires City Council approval. The applicant is also applying for a Land Use Incentive Grant with an estimated seven (7) year benefit. The developer does have successful experience with Housing Trust Fund loans, but not at this scale of development (60 units).

The proposed project is on a 1.43 acre site located just off of Tunnel Road and Swannanoa River Road behind Target. It is zoned River District and is in a primarily industrial area. Residential is permitted, but Planning and Zoning approvals have not been obtained. It is 3 miles from downtown, and is within 1/4 mile of jobs and services, as the crow flies, but walking and driving distance to transit and services is 0.9 miles. Developer has committed to improving the transit gaps for these residents by supporting walkway development along utility easement, providing shuttle transportation to existing transit stop, and/or advocate for bus stop along Swannanoa River Road.

The application request results in the following terms, conditions, estimated development costs and subsidy allocation:

Proposed Loan Terms and Conditions					
60% AMI Units	Loan Amount	Subsidy Per Unit	Interest Rate	Term (Years)	Type
60	\$300,000	\$5,000	2%	20	Interest Only (Special Terms)

Proposed Total Development Costs and Subsidy Allocations							
Total Loan Amount	Total Development Cost	Loan % of Total Development Cost	Total cost per unit	Est. Cost Per Square Foot	Additional Subsidy Request*	Total Subsidy	Total Est. Subsidy Per Unit
\$300,000	\$3,628,600	8%	\$60,476	\$70	\$275,300	\$575,300	\$9,588
* Land Use Incentive Grant – estimated 10 year benefit							

Cost estimates are still early and could change once plans are drawn. No additional financing commitments have been made on the project and the conventional loan commitment is expected in November 2016 with construction scheduled to start in December 2016. The site is under contract and expected to close in September 2016. If the Land Use Incentive Grant is approved, then the pro forma will show a high cash flow and the full subsidy may not be required. Developer is seeking a site specific market study at this time, but is currently referring to the Bowen Report.

Pros:

- 60 1-BR units serving 60% AMI or less including 50% AMI voucher accepted
- Low subsidy per unit, \$5,000
- 20 Year affordability period
- Offers homelessness transition through vouchers through Homeward Bound

Cons:

- Project is in its early stages and cost estimates could change
- Needs conditional zoning and bonus density increase
- No additional financial commitments to date
- If LUIG is approved, full subsidy amount may not be required
- Distance to transit may impact LUIG application and create auto dependency
- Site specific market study has been provided
- Developer does not have experience at this level of service (60 units)

Biotat, LLC – Smith Mill Place (\$520,000) - Biotat, LLC, has proposed a 72-unit development project with 36 affordable units for households earning 60% AMI or less using 100% vouchers (50% AMI). Units are both 1 and 3 bedrooms (18 of each) and the site is owned by the developer (3.71-acres). The developer recently returned \$200,000 of Housing Trust Fund funds awarded for this site as a hard-to-house project, but revised the plan with this proposal. The developer requests an amount that exceeds the HTF policy, but the developer has submitted a waiver to increase the allowable amount to \$520,000 from a policy maximum of \$200,000 based on a \$14,444 subsidy per unit. The waiver also requested a graduated interest rate of 2%, which is detailed below. The developer guarantees a twenty (20) year affordability period with the possibility of making them permanently affordable and hopes to offer additional units at the affordable rate. Plans for this project have been submitted and CZ has been approved; no further zoning changes, conditional uses, or bonus densities are required. Developer will apply for a Land Use Incentive Grant, which anticipates a 10 year tax rebate. The developer has extensive experience in smaller projects and has partnered with large scale partners to complete this project.

The proposed project is located in West Asheville just off of New Leicester Highway, near the intersection of Patton Avenue and is within 1/4 mile of jobs, services, and transit, and is 3.5 miles to downtown. The project will seek Energy Star Certification and includes twelve (12) fully ADA accessible units— 4 in each building. No site specific market study has been provided, but developer guarantees rents at 60% AMI or less if voucher holders are unattainable.

The application request results in the following terms, conditions, estimated development costs and subsidy allocation:

Proposed Loan Terms and Conditions					
60% AMI Units	Loan Amount	Subsidy Per Unit	Interest Rate	Term (Years)	Type
36	\$520,000	\$14,444	2% graduated*	20	Graduated Interest Only (Special Terms)
* Year 1-5 @ .05%, year 6-10 @ 1%, year 11-15 @ 1.5%, year 16-20 @ 2%. This is an average yearly rate of 1.14%. This proposal allows cash to remain in the project to perform for investors and perform for the Housing Trust Fund.					

Proposed Total Development Costs and Subsidy Allocations								
Total Loan Amount	Total Development Cost	Loan % of Total Development Cost	Total cost per unit	Est. Cost Per Square Foot	Additional Subsidy Request*	Total Subsidy	Total Est. Subsidy Per Affordable Unit	Total Est. Subsidy Per Unit
\$520,000	\$6,504,551	8%	\$90,341	\$97	\$298,370	\$818,370	\$22,733	\$11,366
* Land Use Incentive Grant – 10 year estimated benefit								

		Cost					Per Unit
\$30,000	\$117,432	26%	\$58,716	\$101	None	\$30,000	\$15,000

No additional financing commitments have been made on the project, but a conventional loan is sought and a commitment is expected in April 2016. Developer also has relationship with bank and plans on using equity to finance the rehab. Construction is anticipated to start April 29, 2016. Project plans have been submitted for the rehabilitation and are building permit ready. Parcel is zoned residential (RM-6).

Pros:

- Offers housing for homeless families with children at 50% AMI or less (niche market)
- Development site within ¼ mile of transit and ½ mile to jobs, services, and groceries
- Architectural/construction plans are building permit ready
- Refinance of property will provide conventional loan

Con:

- Conventional loan has not been committed

Hearthstone, LLC - Commonwealth Court (\$128,000) - Hearthstone Innovative Homes, LLC, owned by Joseph Kimmel and Bob Scheiderich with the primary partner being Eblen Charities, are proposing a 16-unit rental development on a .72 acres site for households earning 60% AMI or less. All units are two-bedroom apartments. The site is owned by the developer and does have P&Z zoning approvals for 8 units, but is requesting a 100% bonus density increase, which is required to go through P&Z, TRC and City Council for approvals. The Land Use Incentive Grant is an option for this project, but has not been committed by the developer. The project development team is still being structured but is backed by strong financial assets. Project has draft plans and cost estimates, but they could change as project progresses. The developer does have experience with both minor and major subdivisions, but not with local subsidies.

The proposed project is located in South Asheville, just off of Sweeten Creek Road, south of the Sweeten Creek Road and Interstate-40 Junction. The site is within 1/4 mile of jobs, services, and transit, and is 4.3 miles to downtown. The project will have energy efficiency components and one of the proposed units will be fully ADA accessible – per building code requirements.

The application request results in the following terms, conditions, estimated development costs and subsidy allocation:

Proposed Loan Terms and Conditions					
60% AMI Units	Loan Amount	Subsidy Per Unit	Interest Rate	Term (Years)	Type
16	\$128,000	\$8,000	2%	15	Interest Only (Special Terms)

Proposed Total Development Costs and Subsidy Allocations							
Total Loan Amount	Total Development Cost	Loan % of Total Development Cost	Total cost per unit	Est. Cost Per Square Foot	Additional Subsidy Request*	Total Subsidy	Total Est. Subsidy Per Unit
\$128,000	\$1,410,347	9%	\$88,147	\$153	None	\$128,000	\$8,000

**Applicant may apply for a Land Use Incentive Grant, but has not committed*

The land is the only equity in the project. No additional financing commitments have been made on the project and the conventional loan commitment is expected in April 2016. Construction is anticipated to start in April 2016, as well. The project shows sufficient cash flow to perform on the debts.

Pros:

- Infill development close to transit and amenities
- Provides 16 2-BR units for 60% AMI or less
- The developer has local experience and strong financial backing
- Project is anticipated to start in April 2016

Cons:

- Land is the only equity in the project and no other financial commitments received
- Density Bonus requires City Council approval
- High cost per square foot (\$153)
- Developer is new to local subsidy and affordable housing

Leah and James Kim – 25 White Pine (\$150,000) - Leah and James Kim, sole proprietors, own the site at 25 White Pine Drive, where they currently house veterans in 11 units. The proposed project will add an additional fifteen (15) 1-BR units to the site and will accept all tenants through the VASH program (50% AMI). The project will have a 15 year affordability period, with the possibility of making it permanent. Project is in the early planning stages and does require a zoning change and conditional use permit. The project also requires city improvements including increased street width, curb and gutter, fire hydrants, sewer and water extensions, and sidewalks. The full extent of these improvements is still being discussed and will likely be determined in the conditional use permit process.

The site is 1.48 acres and is within walking distance (1/4 miles) to transit stops, jobs, grocery, and other amenities. It is within 2.3 miles of downtown and is located just off of Tunnel Road next to the Asheville Mall. The proposed project will be Energy Star Certified. One of units will have full ADA accessibility with one additional unit being equipped to have partial accessibility.

The application request results in the following terms, conditions, estimated development costs and subsidy allocation:

Proposed Loan Terms and Conditions					
60% AMI Units	Loan Amount	Subsidy Per Unit	Interest Rate	Term (Years)	Type
15	\$150,000	\$10,000	0%	15	Amortizing (Special Terms)

Proposed Total Development Costs and Subsidy Allocations							
Total Loan Amount	Total Development Cost	Loan % of Total Development Cost	Total cost per unit	Est. Cost Per Square Foot	Additional Subsidy Request*	Total Subsidy	Total Est. Subsidy Per Unit
\$150,000	\$1,107,800	14%	\$73,853	\$153	\$38,460	\$188,460	\$12,564
* Land Use Incentive Grant – 12 year estimated benefit							

No additional financing commitments have been made, but the conventional loan commitment is expected in the fall 2016 with construction scheduled to start in the winter of 2016. The subsidy is needed for the project, but land is the only equity in the project.

This project has also been analyzed in two ways: as a standalone project (15 new units) and in combination of the existing 11 units on site (26 units). The standalone project does show a marginal cash flow for the first four years, but in combination, the project shows significant cash flow that can cover any deficits in the stand-alone performance. Staff feels the developer has sufficient cash coverage in the existing 11 units that can cover any shortfalls in the development of an additional 15 units.

Pros:

- Project has 15 units that are 100% VASH voucher housing veterans (50% AMI)
- Project is 100% 1-BR units
- Subsidy/unit request, \$10,000
- Development site within ¼ mile of jobs, services, groceries, and transit
- Energy efficiency with Energy Star 2.0 certification

Cons:

- Project is in preliminary stages and final cost estimates can change
- No other financing commitments have been received
- City requirements for streetscape improvements are not yet known
- Cash flow is low, but may be backed by income on existing 11 units
- Can project sustain 100% VASH vouchers?
- High cost per square foot (\$153)

The Housing Trust Fund's projected balance for June 30, 2016 is \$1,074,795. This amount is contingent upon the receipt of all scheduled loan repayments and the sale of two pieces of property the City currently owns: the Villas property and Sky Loft condominium. These two properties have a combined conservative estimated resale value of \$285,520. If neither sale is executed, then the fund will have an estimated \$780,000 cash balance on June 30, 2016. Based on the development schedules of the proposed projects, staff anticipates adequate cash flow in the Housing Trust Fund to cover all draw requests in FY-2015-16. If the HTF is allocated a similar amount in FY 2016-17 as in previous years, then no budget transfer for FY 16-17 would be anticipated either. In the unlikely event the Housing Trust Fund does not receive funding for FY-16-17 comparable to previous years, then the City can access the \$500,000 of FY15-16 unused Capital Improvement Program (CIP) funds to cover any shortfalls.

The Housing and Community Development Committee recommends City Council approve a resolution approving the following loans subject to the developers meeting all program requirements for loan closing:

1. \$90,000 to Beacatcher Properties, LLC for the development of six (6) rental units on Virginia Avenue: three (3) 3-BR single family homes (80% AMI) and three (3) 1-BR garage apartments (60% AMI including vouchers 50% AMI) on three (3) lots. No additional conditions required. Loans are to be made immediately available for disbursement following loan closing.
 - a. \$45,000 to be repaid as a fully amortizing loan at 4.5% interest for 30 years.
 - b. \$45,000 to be repaid in annual interest-only payments at 2.00% interest with principal deferred for a term of 20 years.
2. \$300,000 to Beacatcher Properties, LLC for the development of sixty (60) multifamily rental units on Simpson Street (1-BR, 60% AMI including vouchers 50% AMI), amortized at 2.00% annual interest-only with principle deferred for 20 years. On the condition that

developer improve transit access by either contributing to walkway improvements along utility easement by installing lights, providing private transportation services for residents, or something thereof. Loan is to be made immediately available for disbursement following loan closing.

3. \$520,000 to Biotat, LLC for the development of seventy-two (72) multifamily rental units, on Oak Hill Drive (thirty-two (32) dedicated affordable units; eighteen (18) 1-BR, eighteen (18) 3-BR; 60% AMI including vouchers 50% AMI), amortized at 2.00% graduated annual interest-only with principle deferred for 20 years. The graduated interest payment is as follows: year 1-5 at .05%, year 6-10 at 1%, year 11-15 at 1.5%, year 16-20 at 2%. This is an average yearly rate of 1.14%. There are no additional conditions on this project. Loan is to be made immediately available for disbursement following loan closing.
4. \$30,000 to Groce United Methodist Church for the development of two (2) rental units for homeless with children on Tunnel Road (2-BR, 60% AMI including vouchers 50% AMI), amortized at 0% annual interest-only with principle deferred for 20 years. On the condition that developer installs energy star appliances and other green features when possible. Loan is to be made immediately available for disbursement following loan closing.
5. \$128,000 to Hearthstone, LLC for the development of sixteen (16) rental units for on Booker Street (2-BR, 60% AMI), amortized at 2% annual interest-only with principle deferred for 15 years. There are no additional conditions on this project. Loan is to be made immediately available for disbursement following loan closing.
6. \$150,000 to Leah and James Kim for the development of fifteen (15) rental units for veterans on White Pine Drive (1-BR, 60% AMI including vouchers 50% AMI), amortized at 0% annual interest-only with principle deferred for 15 years. There are no additional conditions on this project. Loan is to be made immediately available for disbursement following loan closing.

RESOLUTION BOOK NO. 37 – PAGE 388

K. RESOLUTION NO. 16-40 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT AGREEMENT WITH BUCKEYE BRIDGE, LLC, FOR THE VICTORIA ROAD WATERLINE IMPROVEMENTS PROJECT

Summary: The consideration of the following items relative to the Victoria Road Waterline Improvements Project ('Project'): (1) a resolution authorizing the City Manager to enter into a construction agreement with Buckeye Bridge, LLC for the bid amount of \$673,514.50; and (2) a contingency amount of \$81,000.50 for a total project budget in the amount of \$754,515.00.

On January 12, 2016, the WRD issued an Advertisement for Bids for the Victoria Road Waterline Improvements Project. This Project consists of the installation of approximately 5,000 Linear Feet of 12-inch Ductile Iron Pipe (DIP) with related appurtenances and materials required in order to complete the work. The Project will replace existing undersized and failing waterline in order to improve hydraulics, aid fire protection and increase reliability for the entire length of Victoria Road. This Project will also include asphalt and/or concrete pavement repair and restoration of any grassed areas disturbed.

On February 2, 2016, the WRD received six (6) bids for the Project. Companies responding were:

1. Buckeye Bridge LLC – Canton, NC, \$673,514.50
2. Cooper Construction Company, Inc. – Hendersonville, NC, \$746,413.00

3. Davis Grading, Inc. – Shelby, NC, \$786,426.00
4. Patton Construction Group, Inc. – Asheville, NC, \$681,760.00
5. Thomas Construction Company, Inc. – Johnson City, TN, \$799,865.00
6. T&K Utilities, Inc. – Asheville, NC, \$804,950.00

Following a review of the bids by City staff, Buckeye Bridge, LLC was selected as the lowest responsible, responsive bidder in the amount of \$673,514.50. A contingency amount of \$81,000.50 has been added for a total project budget in the amount of \$754,515.00.

Pros:

- This project will replace existing waterlines that are undersized, provide inadequate for fire protection, and have a high risk of failure causing costly repairs for the WRD and frequent outages for the customers with a durable, reliable sustainable water system for the project neighborhoods.
- This project is aligned with the City and the WRD goal of continued investment and improvement of the City's water system through Capital Improvement Projects, in order to provide safe and reliable service.
- 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 funding needed for this construction agreement is currently allocated within the Victoria Road Waterline Improvements Project in the Water Resources Capital Improvement Projects (CIP) Fund.

City staff recommends City Council authorize the following relative to the Victoria Road Waterline Improvements Project: (1) a resolution authorizing the City Manager to enter into a construction agreement with Buckeye Bridge, LLC for the bid amount of \$673,514.50; and (2) a contingency amount of \$81,000.50 for a total project budget in the amount of \$754,515.00.

RESOLUTION BOOK NO. 37 - PAGE 390

L. RESOLUTION NO. 16-41 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSTRUCTION AGREEMENT WITH PATTON CONSTRUCTION GROUP INC. FOR THE WATER SERVICE RENEWALS WEST PROJECT

Summary: The consideration of the following items relative to the Water Service Renewals West Project ('Project'): (1) a resolution authorizing the City Manager to enter into a construction agreement with Patton Construction Group, Inc., for the bid amount of \$346,800.00; and (2) a contingency amount of \$34,680.00 for a total project budget in the amount of \$381,480.00.

On January 8, 2016, the WRD issued a Request for Bids for the Project. The scope of the project is to renew existing water services that have been identified as sub-standard as part of the department's ongoing Automated Meter Reading (AMR) water meter conversion project in the Western part of the Water Distribution system. There will be 115 water services scattered across 78 streets renewed as part of this project, including new meter boxes, new meter setters, new connections to the existing house lines, and approximately 2,550 Linear Feet of copper line. This project will also include asphalt and/or concrete pavement repair and restoration of any grassed areas disturbed during the water service renewal project.

On February 9, 2016, Water Resources received two (2) bids for the project. Companies responding were:

1. Patton Construction Group, Inc. – Asheville, NC; \$346,800.00
2. Cooper Construction Company, Inc. – Hendersonville, NC; \$490,286.00

A review team comprised of City staff reviewed the bids and selected Patton Construction Group, Inc. as the lowest responsible, responsive bidder in the amount of \$346,800.00. A contingency amount of \$34,680.00 has been added for a total project budget in the amount of \$381,480.00.

Pros:

- Approval of the project will allow Water Resources to renew existing, sub-standard water services to residential houses.
- The project will provide a local company with work for several months.

Con:

- This is not a required project to effectively operate the water system.

The funding needed for this construction agreement is currently allocated within the Automated Meter Reading (AMR) Project in the Water Resources Capital Improvement Projects (CIP) Fund.

City staff recommends City Council authorize the following relative to the Water Service Renewals West Project: (1) a resolution authorizing the City Manager to enter into a construction agreement with Patton Construction Group, Inc., for the bid amount of \$346,800.00; and (2) a contingency amount of \$34,680.00 for a total project budget in the amount of \$381,480.00.

RESOLUTION BOOK NO. 37 - PAGE 392

M. RESOLUTION NO. 16-42 - RESOLUTION AUTHORIZING AN INCREASE IN THE CITY MANAGER'S AUTHORITY TO THE EXISTING CONTRACT WITH TENNOCA CONSTRUCTION COMPANY AND FOR THE CITY TO RECEIVE FUNDS FROM THE METROPOLITAN SEWERAGE DISTRICT FOR PARTNERSHIP FOR THE CONSTRUCTION SERVICES NECESSARY FOR THE COMPLETION OF THE CRAVEN STREET IMPROVEMENTS PROJECT

ORDINANCE NO. 4483 - BUDGET AMENDMENT FOR CRAVEN STREET IMPROVEMENTS PROJECT

Summary: The consideration of a resolution authorizing an increase in the City Manager's authority to the existing contract with Tennoca Construction Company and for the City to receive \$35,000 from the Metropolitan Sewerage District (MSD) for the construction services necessary to complete the Craven Street Improvements Project; and a budget amendment in the amount of \$35,000 to accept partnership funding from MSD.

On June 12, 2012 City Council approved a contract with ColeJenest & Stone for professional services for the design of the Craven Street Improvement project. This project includes improvements to the existing two lane roadway by implementing a complete street approach to the design. The new facility will include bike lanes, sidewalk, stormwater improvements, stream restoration, greenway, parking areas and two-way vehicular traffic. The bids for the project were opened on June 17, 2014 and the City of Asheville determined Tennoca Construction Company to be the low responsive and responsible bidder for the project. On June 24, 2014, City Council approved the contract with Tennoca Construction Company, Inc. for up to \$6,901,570.66.

The City has three funding partners on this project, Golden Leaf Foundation has provided \$300,000, the Economic Development Administration from the Department of Commerce has partnered to provide approximately \$1.12M, and the Clean Water Management Trust Fund through RiverLink has provided \$365,000 toward this great project. The remaining cost of the project is being paid through the Stormwater, Water, Parking Funds and General Fund utilizing a combination of pay-go funds and debt proceeds.

Within the scope of the project, Tennoca is performing the construction services necessary to provide improved transportation connections (including pedestrian, bike and vehicular) to the Craven Street area. New Belgium Brewery (NBB) is continuing their project and anticipates being complete in the spring of 2016. The City's project will be completed this summer.

The City and NBB has an existing Memorandum of Understanding (MOU) in place, which has allowed the city and NBB to partner on cost saving measures for both projects. The MOU has allowed partnerships on portions of the project including grading for the Stormwater Best Management Practices and Stream Restoration; the large box culvert, included in the City's contract, which occupies both the City's right of way and falls within NBB property; and efficient use of brownfield material on site, saving the cost of transportation offsite to a landfill. Upon completion of the project it is currently estimated that NBB will reimburse the city approximately \$170,000 for these combined efforts.

An opportunity arose to partner with the Tourism Development Authority (TDA) for the work associated with the trail head. This agreement has added \$150,000 in partnership revenue for this project which was not considered in the original budgeted contract. Additionally, the Metropolitan Sewerage District (MSD) has agreed to partner on the sewer work along the greenway, adding \$35,000 in funding toward this project.

As the project has progressed, construction has proved extremely challenging. As noted above, the site was a brownfield, which complicated estimates. Construction plans have been required to be revised in order to successfully continue the project, creating additional cost relative to the original construction budget.

This project follows the commitment made to New Belgium Brewery to make improvements in this area. The project further benefits the environment by placing Stormwater Best Management Practices' devices in place to provide water quality treatment in the area. The project also helps to develop multimodal transportation connections.

Pros:

- Improvements to the transportation facility in this area, including vehicles, pedestrians and bike facilities
- Allows the project to be finalized
- Provides safe access for the citizens that visit this area
- Promotes the environment through water quality devices and stream restoration
- Makes safety improvements to the Hazel Mill and Craven Street intersection
- Provides bike lanes, sidewalk and a greenway to the area

Con:

- Continued coordination of the project requires significant staff time.

The budgeted construction contract amount, including a 15% contingency, totals \$6,901,570.66. The additional contract authority of \$185,000 that is requested will bring the total construction budget to \$7,086,570.66. The City has secured the additional \$185,000 toward this project.

City staff recommends City Council approve a resolution increasing the City Manager contract authority for the existing contract with Tennoca Construction Company which currently is \$6,901,570.66 by an additional \$185,000 for a total authorized contract amount of \$7,086,570.66, and authorizing the City to accept \$35,000 for the Metropolitan Sewerage District partnership funds for the project; and (2) a budget amendment in the amount of \$35,000 to accept partnership funding from MSD.

**RESOLUTION BOOK NO. 37 - PAGE 394
ORDINANCE NO. 30 - PAGE 235**

N. RESOLUTION NO. 16-43 - RESOLUTION OF INTENT TO SET A PUBLIC HEARING ON MARCH 22, 2016, TO CONSIDER THE PERMANENTLY CLOSING OF AN UNNAMED ALLEY LOCATED NEAR 119 AND 121 SAND HILL ROAD

Summary: The consideration of a resolution of intent to permanently close an unnamed alley located near 119 and 121 Sand Hill Road and setting the public hearing on March 22, 2016.

N. C. Gen. Stat. sec 160A-299 grants cities the authority to permanently close streets and alleys.

Pursuant to this statute, adjoining property owner, Debra Carter, owner of parcels 9638-04-0283, 9638-04-0025 and 9648-04-0159, and Katherine Wersel (on behalf of Vivianne Wersel), owner of parcel 9638-04-0395 have requested the City of Asheville to permanently close the unnamed alley located near 119 and 121 Sand Hill Rd. A copy of this resolution of intent shall be sent by registered or certified mail to all property owners abutting the unnamed alley, not joining in the petition to close.

The Multimodal Transportation Commission met on October 28, 2015, and approved the closure.

Pros:

- There will be no future compromise of ingress/egress to other property
- The closure would allow for more efficient use of the existing adjacent properties
- Meets Council's goals of efficient land use and planning.

Con:

- None

There will be no fiscal impact related to this closure.

City staff recommends City Council adopt the resolution of intent to permanently close an unnamed alley located near 119 and 121 Sand Hill Road and set the public hearing on March 22, 2016.

RESOLUTION BOOK NO. 37 - PAGE 395

O. RESOLUTION NO. 16-44 - RESOLUTION OF INTENT TO SET A PUBLIC HEARING ON MARCH 22, 2016, TO CONSIDER THE PERMANENTLY CLOSING OF AN UNNAMED ALLEY LOCATED BETWEEN OTEEN PARK PLACE AND PINE CONE DRIVE

Summary: The consideration of a resolution of intent to permanently close an unnamed alley located between Oteen Park Place and Pine Cone Drive and setting a public hearing on March 22, 2016.

N. C. Gen. Stat. sec. 160A-299 grants cities the authority to permanently close streets and alleys.

Pursuant to this statute, adjoining property owners, Edison and Lillian Degobbi, owners of parcel 68-26-6877, and Paul Ray, owner of parcel 9668-26-6765 have requested the City of Asheville to permanently close the unnamed alley located between Oteen Park Place and Pine Cone Dr. A copy of this resolution of intent shall be sent by registered or certified mail to all property owners abutting the unnamed alley, not joining in the petition to close.

The Multimodal Transportation Commission met on January 27, 2016, and approved the closure.

Pros:

- There will be no future compromise of ingress/egress to other property
- The closure would allow for more efficient use of the existing adjacent properties
- Meets Council's goals of efficient land use and planning.

Con:

- None

There will be no fiscal impact related to this closure.

City staff recommends City Council adopt the resolution of intent to permanently close an unnamed alley located between Oteen Park Place and Pine Cone Drive, and set a public hearing on March 22, 2016.

RESOLUTION BOOK NO. 37 - PAGE 397

P. ORDINANCE NO. 4482 - BUDGET AMENDMENT FOR ACQUISITION OF STORM CONTROL MATERIALS AND EQUIPMENT REPAIR AND ACQUISITION

Summary: The consideration of a budget amendment, in the amount of \$431,000, from unassigned General Fund fund balance for the purpose of the acquisition of storm control materials and equipment repair and acquisition.

For the Fiscal Year 2015/2016, the original budget for storm control materials was \$150,000. This value allowed us to fill our salt storage facility to capacity prior to the winter season. Our salt storage facility when at maximum capacity holds approximately 4000 tons of material. As a result of minor snowfalls, various ice locations due to water breaks or frozen runoff, and the large scale snowfall of January 22nd (Winter Storm Jonas), we are now at less than ½ capacity of our facility. This is also after we have ordered and received approximately 1300 tons of salt to re-stock what had been used as of the completion of all snow removal after the January 22nd (Winter Storm Jonas) event. In addition to the need more material we have also had several pieces of equipment that have been broken and been pushed to or beyond their usable life cycle. All of the equipment that is in this state is either snow plows or salt/sand spreaders. These pieces of equipment are vital to any snow removal efforts moving forward. In addition to snow storm control materials this line item is also used for the purchase of material such as stone, erosion control measures and concrete in flooding events that cause damage or destruction of city owned roads and sidewalks.

Pros:

- The availability of this material will position the Public Works Department such that it can properly respond to weather events that hamper the safe travel of the public.
- Replacing old worn out equipment will allow for less down time thus a faster removal time of snow from city streets.

Cons:

- The purchase of these material and equipment will consume and City Funds.
- Payment requires an appropriation from unassigned General Fund fund balance.

The additional funds for storm control materials will come from unassigned fund balance in the General Fund. The General Fund ended Fiscal Year 2014/15 with approximately \$16.65 million in unassigned fund balance. After this appropriation, General Fund fund balance will be approximately \$16.22 million or 15.7% of the current General Fund budget.

City staff recommends City Council a budget amendment for the funding to adequately stock storm control materials for the remainder of the fiscal year.

ORDINANCE BOOK NO. 30 - PAGE 233

R. RESOLUTION NO. 16-45 - RESOLUTION AMENDING CRITERIA 6 OF THE CITY'S ADOPTED CRITERIA FOR A DESIGN-BUILD DELIVERY METHOD OF CONSTRUCTION CONTRACTS TO MAKE IT CONSISTENT WITH THE CURRENT STATUTORY LANGUAGE OF N.C. GEN. STAT. SEC. 143-128.1A

Summary: The consideration of a resolution amending the established criteria for design-build delivery method for construction contracts.

On June 24, 2014, the City Council adopted Resolution 14-138 establishing the criteria for a Design-Build Method for Construction Contracts pursuant to N.C. Gen. Stat. sec. 143-128.1A, and authorizing the City Manager or his designee to review and approve the written criteria for each individual design-build project to ensure compliance with these adopted criteria. Later that year, the NC Legislature slightly amended the wording of one of these adopted criteria, Criteria 6, in Session Law 2014-42 and therefore, the City's criteria needs to be amended to reflect this change.

The beginning of Criteria 6 of the adopted Design-Build Delivery Method currently reads as follows:

Criteria 6: The criteria utilized by the City, including a comparison of the costs and benefits of using the design-build delivery method of a given project in lieu of the other delivery methods identified.

Session Law 2014-42, revised this Criteria 6 by replacing the terms "costs and benefits" with the terms "advantages and disadvantages". The City's adopted Criteria 6 needs to be updated to reflect this change.

Pro:

- The amendment will make the City's adopted Design-Build Delivery Method Criteria consisted with the current law.

Con:

- None noted.

Staff recommends that City Council adopt a resolution amending Criteria 6 of the City's adopted criteria for a Design-Build Method for Construction Contracts to make it consistent with the current statutory language of N.C.G.S. 143-128.1A.

RESOLUTION BOOK NO. 37 - PAGE 399

R. MOTION ADOPTING CITY COUNCIL'S 2036 VISION

Summary: In January 2016, Asheville City Council created a 20-year vision for the city. This Council vision reflects Asheville's unique character and the aspirations for the community. While recognizing that portions of the vision are not in direct control of local government and resources may be constrained, Council plans to use the vision as a guide when developing policies and priorities.

City management will use the adopted Council vision and the three-year short-range priorities to create a strategic work plan. In developing the strategic work plan, management will analyze existing and potential resources. The Council vision and progress on the strategic work plan will be communicated through an engaging multi-channel communication effort to include traditional and social media as well as communication networks involving community groups, boards and commissions.

DRAFT 2036 VISION

Asheville is a great place to live because we care about people, we invest in our city, and we celebrate our natural and cultural heritage. Our city is for everyone. Our urban environment and locally-based economy support workers, entrepreneurs and business owners, families and tourists, and people of all ages. Cultural diversity and social and economic equity are evident in all that we do. Our neighborhoods are strong, participation in civic life is widespread, and collaborative partnerships are the foundation of our success.

Here's what makes us special.

A DIVERSE COMMUNITY

Asheville is an inclusive, diverse community. We define diversity broadly, including but not limited to all races, ages, sexual orientations, gender identification, socio-economic backgrounds, and cultural beliefs. We have created a fair and balanced society where everyone can participate and has the opportunity to fulfill their potential because they have access to healthy, affordable food, transportation, quality education, and living wage jobs. Asheville promotes and supports minority business as a means of strengthening our local economy. We use a racial equity lens to review and achieve our city's strategic goals in health, education, housing, and economic mobility.

A WELL-PLANNED AND LIVABLE COMMUNITY

Asheville promotes community through thoughtful, resident-led planning that results in pedestrian oriented development for all ages and abilities, harmonized with an integrated transportation system. Asheville's unique character is reflected in our land use, preserved in our historic structures, and honored when incorporated in new development. Thoroughfares are lined with thriving businesses mixed with residential and office uses, and neighborhoods are socioeconomically diverse with a range of affordable housing choices. Open spaces, parks, greenways, community gardens, and edible landscapes are abundant throughout the city.

A CLEAN AND HEALTHY ENVIRONMENT

Asheville continues to be a leader in innovative technologies and conservation efforts in response to global climate change. The City is powered by locally-generated, clean sources of energy, and air quality problems have disappeared.

Views of surrounding mountains have regained clarity unknown since the late 1800s.

Clean energy is not the only priority when preserving our high quality of life. Recognized as a Tree City USA for decades, streets, greenways, and parks embody an urban forest. Emphasis on local resilience spurs the use of municipal land for gardening, farming, and urban orchards. Known as a food destination city, most restaurants serve locally grown foods.

Thanks to an extremely high-quality water source nestled in the gentle folds of the Blue Ridge Mountains, Asheville continues to attract companies that depend on clean water - from breweries to high tech start-ups to restaurants and food manufacturers. Our modern transportation system has increased options that reduce carbon emissions. Successful waste, recycling, and curbside composting programs have greatly reduced the city's landfill needs.

QUALITY AFFORDABLE HOUSING

Asheville is a city with abundant housing choices for people at all economic levels and stages of life. Chronic homelessness is a thing of the past and rapid rehousing strategies abound thanks to an effective network of service providers. Housing is affordable not only because of reasonable prices but also because of low energy and transportation costs. Innovative and historic housing options, from tiny homes and co-housing to apartments and single-family homes, are available throughout the city. Asheville's former public housing communities have been transformed into a diverse mix of affordable and market rate homes within vibrant neighborhoods.

TRANSPORTATION AND ACCESSIBILITY

Whether you drive a car, take the bus, ride a bike or walk, getting around Asheville is easy. Public transportation is widespread, frequent, and reliable. Sidewalks, greenways, and bike facilities get us where we want to go safely and keep us active and healthy. It is easy to live in Asheville without a car and still enjoy economic, academic, and social success.

THRIVING LOCAL ECONOMY

Asheville is unique in its locally-focused economy. Our local businesses are vibrant and, no matter where you are in the city, you see a diversity of customers, employees, and business owners. Our historic buildings are home to funky, eclectic businesses that reflect the character of the city, and a creative economy of artists, makers, and innovators is thriving.

As an employer, the City values its workers by paying living wages and offering benefits that ensure both security and opportunity. Businesses of all types that share those values locate, start, and grow in Asheville, offering a wide range of career opportunities. Plentiful educational options, workforce development, access to capital, economic incentives, and a culture that values homegrown businesses make our economy strong. Our public and private partners have demonstrated a unity of purpose. If you do your part, you will find opportunity for success.

CONNECTED AND ENGAGED COMMUNITY

We pride ourselves on building and growing partnerships – with regional and

state governments, nonprofits, the private sector, and neighborhood associations to name a few - to achieve our vision. If you live, work, or play here, you want to be involved and you have a voice. When you join a citizen board or commission, the City provides training and support. Diverse interest groups work together to tackle problems, and neighborhood engagement enables residents to express thoughts, visions, and concrete plans that build a collective and harmonious community. City government is trusted and transparent, and we use the latest technologies and methods to communicate with, engage, and empower community participants. When you live in Asheville, you belong and are valued.

SMART CITY

Asheville has an AAA bond rating. We use our debt capacity and revenue wisely in order to maintain and improve the City's infrastructure and invest in our public employees. We strive to control our costs and still provide the highest possible level of service. We have a diverse revenue base that enables us to plan far into the future and to benefit from our growth. Our individual and corporate citizens generously invest in our community through partnerships and public/private projects that enrich the quality of life in the city.

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

III. PRESENTATIONS & REPORTS:

A. REDUCING BARRIERS FOR INFILL HOUSING

Urban Planner Vaidila Satvika said that the 2015 Asheville Housing Needs Assessment concluded that the Asheville region has a significant gap in housing supply across all housing types, family size and income. The region's supply of housing is limited and the price of for-sale properties and rentals is on the rise. Approximately 43% of Asheville's renter households are considered to be cost-burdened, paying more than 30% of their incomes on housing costs. Further, one in five renters in Asheville are severely cost burdened, paying over 50% of their incomes on housing-related costs. Asheville's owner-occupied households are not much better off—one in three homeowners are cost burdened.

When taking into account both the cost of housing as well as the cost of transportation associated with the location of the home, we better understand the true cost of housing and housing-related decisions. In Asheville, 75% of the workforce commutes by driving alone. This is important to note because transportation options and location efficiency significantly affect the cost of housing.

In 2012, the Center for Neighborhood Technology (CNT) reviewed transportation costs as it relates to the location of housing and recommended that both land use and transportation policies should be reviewed and adjusted. The report's executive summary states "that the low-density, car-dependent development pattern that has dominated our landscapes over the last several decades is not only detrimental to the environment but also more expensive compared to location efficient areas where people can meet their needs with fewer cars and fewer miles." The report further indicates that individuals will only drive less if they can live closer to the jobs, schools, shops and other amenities they need, and if other modes of travel become more

appealing than single-occupancy vehicles. In sum, we need to move forward with plans and policies that support more compact, mixed-use development, and fewer subsidies for single-occupancy vehicle travel. Toward this end, consideration needs to be given to density requirements throughout the city, and whether there are opportunities to increase density in strategic locations.

Asheville's current residential density including all land is about one and a half units per acre. If one looks at only residentially-zoned parcels, the density is about three units per acre. In certain older neighborhoods, like Montford, residential density is closer to six units per acre, while some blocks within the same neighborhood reaching densities closer to 15 units per acre. Older neighborhoods are typically denser because they were designed before the dominance of the private automobile and before urban planners began separating residential use types. For this reason, in places like Montford and Chestnut Hills, single-family homes can be found adjacent to apartment buildings and there is more variety in lot sizes. The result in these locations is more efficient land use patterns, more varied housing choices for residents, and walkable neighborhoods. These neighborhoods are the densest and some of the most sought after locations in Asheville that are seeing increases in renovations and continued reinvestment.

A review of Asheville's historic code demonstrates the regulatory framework that supported a greater diversity of housing than we have today. Asheville's 1948 code allowed for denser neighborhoods by incentivizing multifamily development. A property owner was allowed to build two units on any lot that permitted multifamily development. Additionally, the owner could add one unit for every 500 square feet (SF) of additional lot area. Under the 1948 regulations, for example, a property owner with a 10,000 SF lot could build 12 dwelling units whereas today's rules would only permit two. This change is prevalent in newer neighborhoods that are primarily single-family and auto-oriented. The zoning change that discarded this multifamily incentive is a significant contributor to the lack of multifamily and varied housing options in Asheville today.

Current Plans and Policies

There are a number of current plans and policies that address the city's housing shortage, as well as recent policy decisions that were adopted by City Council:

General Plans: The city's 2025 Comprehensive Plan and the City Council Strategic Operating Plan for Fiscal Year 2015-16 are consistent and clear in policy direction to develop more housing. The 2025 Comprehensive Plan's first land use goal states that "The City should pursue compatible adaptive reuse, redevelopment and infill development, while ensuring that sufficient infrastructure capacity exists or will be provided to accommodate this development." Goal three states that "The City should permit and encourage transit supportive density (8-16 units/acre) along and adjacent to major corridors and at logical transit nodes"; and, goal five states that "The City should encourage the construction of affordable housing throughout the community."

The City Council's Strategic Operating Plan reiterates these goals by directing staff to "Research, develop and propose incentives for infill and redevelopment," and to "promote affordable housing located close to the CBD, jobs and transportation", and to "expand Asheville's supply of quality, affordable homes for current and future residents."

Commercial Districts: In 2014, City Council adopted Ordinance No. 4374 to promote residential density in certain commercial districts. This update increased the density between 10-88% and further doubled those densities for projects that incorporate at least 20% affordable units. This ordinance made commercial corridors and districts more attractive for developers of mixed-use projects with the goal that low-rise, commercial buildings will slowly be replaced with mixed-use, higher-density projects.

Residential Districts: In 2015, City Council adopted Ordinance No. 4431 that increased the allowable size of accessory dwelling units (ADUs), while also permitting ADUs on nonconforming lots as long as setbacks and other criteria are met. The intent of these wording amendments was to increase the supply of housing that is compatible with existing residential neighborhoods, incentivize infill housing and making efficient use of existing housing stock.

Downtown: In the Central Business District (CBD there is no maximum density but the current residential density is only about four units per acre, where seven to 16 units per acre is typically preferred for optimum transit performance.

Nevertheless, the CBD has experienced increases in multifamily and mixed-use development over the past few years. Since 2010, there have been 700 residential units proposed for renovation or new construction. That number may seem high but in actuality the CBD can accommodate significant residential growth because of the available development capacity, walkability, and access to goods and services that are already in place. As an example, the CBD area includes about 370 acres of land and if all of Asheville's projected residential growth between now and 2020 (approximately 3,000 households) would locate only in downtown there would be more than enough land to accommodate it. The resulting density would only reach about 15 units per acre, which is a density that is under the 16 units per acre that is recommended in the 2025 Comprehensive Plan.

Strategies for Small-Scale Infill Housing

Within residential districts, there is more that can be accomplished by removing barriers to infill housing in order to allow property owners and small-scale developers to help meet the city's housing needs. The intent of the following strategies is to bring housing options back into balance so that neighborhoods become denser, more varied, and walkable, as they once were intended. These UDO amendments would give more flexibility to landowners so that scarce land can be used more efficiently to offset the negative effects of sprawling development.

The following strategies are proposed to be studied in greater detail. Staff believes that with Council support, up to three of these could become UDO wording amendments within the 2016 calendar year:

- Cottage Developments
- Multifamily Districts
- Lot Standards
- Tiny House Zoning
- Higher Density Residential Buffer Zone
- Conservation Development
- Sustainable Development

Cottage Developments: Ordinance #3489 allows the cluster of housing between five to 12 units that are not subject to underlying density limitations in the RS8, RM6, RM8, and RM16 zoning districts. Cottage developments promote smaller housing units that focus on community. Review the ordinance's standards for lot size, separation requirements, site and parking requirements, number of units permitted, and pertinent zoning districts.

Multifamily Review: The UDO prescribes the number of units allowed per a parcel's area, regardless of the type of unit. There is a zoning disincentive to build multifamily units leading to a lack of rental units and varied housing options. Review of standards for multifamily developments and study community character in multifamily districts.

Lot Standards: Asheville is challenged with steep slopes and flood areas that reduce buildable land, and the 1997 UDO prescribed one-size-fits-all lot standards. Development

standards are inflexible and do not take into account natural features and unusually shaped parcels. Review lot standards.

Tiny House Zoning: The UDO defines minimum lot sizes irrespective of house size. There is a disincentive to build small because land is a significant cost component of home ownership. Review possible options for a tiny house overlay zoning district that would link lot standards to house size, making it more affordable for those interested in “small living” to purchase property for a small home.

Higher Density Residential Buffer Zone: The highest residential density district is RM16 (12-17 units/acre) and staff continues to review projects that are appropriate for higher densities. Commercial/Industrial areas are higher impact uses that often border residential zones. The UDO's highest density residential district (RM16) fails to offer sufficient density and scale to meet city goals adjacent to these higher impact zones. Investigate standards and possible locations for a higher density residential overlay zone.

Conservation Development: Asheville is challenged with steep slopes and river buffers that reduce buildable land and lot subdivision lacks flexibility. Conservation Development (or Cluster Development) is the grouping of separate residential parcels on a development site in order to use the undeveloped land to protect the natural landscape or to consolidate open space, recreation area or agriculture land. The UDO does not have an allowance for this type of development. Investigate standards to create a Conservation Development ordinance to encourage developers to preserve trees, sensitive land, and open space.

Sustainable Development: Ordinance #3980 provides density bonuses for projects that promote sustainable development practices but to date this part of the UDO (Sec. 7-16-1(b)(69)) has not been used. Investigate the regulations to determine why Sustainable Developments have not been used and make revisions to make a viable ordinance.

Public Outreach & Engagement

If authorized to proceed by City Council, Planning & Urban Design staff will work with the Communication & Public Engagement Department to develop a communication plan and community engagement process for proposed UDO wording amendments related to the above strategies.

After Mr. Satvika responded to questions raised by Council, it was the consensus of Council to authorize City staff to work with the Communication & Public Engagement Department to develop a communication plan and community engagement process for proposed UDO wording amendments related to the above strategies, along with an implementation schedule.

IV. PUBLIC HEARINGS:

V. UNFINISHED BUSINESS:

VI. NEW BUSINESS:

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Mr. Geoff Kemmish was concerned about the route of the Beaucatcher Greenway and asked that alternative routes be re-evaluated.

Mr. Teal Brown spoke in support of the infill housing tools, especially tiny homes.

Ms. Phyllis Pedersen asked for regulations that require tiny home property owners to be responsible for water run-off that was not there prior to the tiny home being built. In addition she asked for City buses to be free on election day.

Mr. Brew Davis was concerned about after-hour building permits and asked that consideration be given to the noise ordinance hours.

Ms. Kelly Palmatier supported the more infill housing tools, especially tiny homes.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 5:39 p.m.

CITY CLERK

MAYOR