

Tuesday - November 17, 1998 - 3:00 p.m.

Worksession

Present: Mayor Leni Sitnick, Presiding; Vice-Mayor Edward C. Hay Jr.; Councilman M. Charles Cloninger; Councilwoman Barbara Field; Councilman Thomas G. Sellers; and Councilman O.T. Tomes; City Attorney Robert W. Oast Jr.; City Manager James L. Westbrook Jr.; and City Clerk Magdalen Burleson

Absent: Councilman Earl Cobb

CONSENT:

Authority to Advertise for Upset Bids for 110 Morris Street

Summary: The consideration of a resolution authorizing the City Clerk to advertise an offer of purchase for upset bids for 110 Morris Street.

A bid from Carol Lynne Jones, in the amount of \$79,600.00, has been received for the purchase of 110 Morris Street. The bid is not less than the established minimum price of \$79,500.00.

110 Morris is a residential lot and house near the corner of West Asheville Park comprising 13,503 square feet of land. The property was acquired along with the park property and is under the Parks & Recreation Department's control. The house contains 1,336 square feet of floor space, three (3) bedrooms, one and one half (1 1/2) baths and a full basement with drive-in garage. The bidder, Carol Lynne Jones, intends to occupy the residence as her home. She is a graduate of the Affordable Housing Coalition's Homebuyer Education Class.

Approval of the resolution will initiate the sale of the property through the upset bid process as provided in N. C. Gen. Stat. sec. 160A-269.

Planning staff and the Parks & Recreation staff recommends adoption of the resolution.

Grant Application to Assist in the Construction of Haw Creek Park

Summary: The consideration of a resolution to apply for grant funds to assist with the construction of Haw Creek Park through the N.C. Dept. of Environment and Natural Resources.

The development of Haw Creek Park represents the City of Asheville and the Haw Creek Neighborhood Association's long term goal to build a park in the Haw Creek community. The park is a collaborative effort between the City of Asheville and the Haw Creek Neighborhood Association, who has committed to raise \$40,000 to assist with construction of the park. Haw Creek Park will be a passive park located on approximately 6.2 acres on Haw Creek Road, and will serve as a major destination along the proposed Haw Creek Greenway. Park features include a trail, picnic shelter, and paved parking. The grant funds will be used to add a toddler playground, a second picnic shelter, rest rooms, interpretive signage, and landscaping.

The Parks and Recreation Department is requesting \$100,000 in grant funds which requires a 50% cash match. Funds for the match are currently available in the Capital Improvement Budget designated for Haw Creek Park.

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The Parks and Recreation Department recommends the City Manager and/or the Mayor be authorized to

apply for the grant and enter into the agreement to assist with the development of Haw Creek Park.

Budget Amendment to Appropriate Funds from NC Governor's Highway Safety Program

Summary: The consideration of a budget amendment, in the amount of \$50,000, to appropriate funds to the Police Department in support of a grant funded project from the NC Governor's Highway Safety Program.

The Police Department has been awarded a \$37,500 grant from the NC Governor's Highway Safety Program (GHSP). The grant is for the purchase of equipment to support the department's traffic safety program; specifically five in-car computers and five speed detection devices.

GHSP guidelines require a local match of \$12,500 for a total project budget of \$50,000.

The City Council, at their meeting on July 28, 1998, authorized the application for this grant.

City staff recommends City Council adopt the budget amendment appropriating \$50,000 to the Police Department budget.

Budget Amendment for Fair Housing Assistance Program

Summary: The consideration of a budget amendment to continue federal funding for the twelfth year of the Fair Housing Assistance Program.

On April 28, 1987, the City of Asheville was recognized by Department of Housing and Urban Development (HUD) as having a fair housing enforcement program which is substantially equivalent to that of the Federal Fair Housing Act. The City has been carrying out its fair housing program under contract with the Asheville-Buncombe Community Relations Council and Fair Housing Commission since January 1988.

The City has received approval from HUD of \$18,400 for the Fair Housing Assistance Program for the period October 1, 1998 - September 30, 1999. This will be the twelfth year of funding through this program. The program is administered under contract by the Asheville-Buncombe Community Relations Council which provides staff support to the Asheville-Buncombe Fair Housing Commission. The City Community Development Division serves as Lead Entity and monitors the program.

Community Development staff recommends adoption of the budget amendment.

Amendment to Agreement with J.L. deBall-Girmes

Summary: The consideration of a resolution authorizing the Mayor to enter into an amendment to the agreement with J.L. deBall-Girmes of America Inc.

Girmes applied for an Industrial Development Grant based on expansion plans that included investment in facility and equipment at their Old Charlotte Highway site of \$2,000,000 by July 1, 1998, and \$7,000,000 within two years. An increase in new jobs from between 12 to 16 were to be provided by July 1, 1998, and up to 50 by January 1, 2000. On August 12, 1997, City Council awarded an Industrial Development Grant, in the amount of \$51,300, to J.L. deBall-Girmes of America Inc.

Due to unforeseen circumstances, certain equipment could not be delivered by the July 1, 1998, deadline. The equipment is now in place and Girmes has met all other requirements of the grant. They -3-

are requesting that the Grant Agreement be amended to change the completion deadline from July 1, 1998, to October 1, 1998. No other changes are requested.

Staff recommends that City Council adopt a resolution authorizing the Mayor to amend the agreement with J.L. deBall-Girmes of America Inc. in order to extend the deadline in the agreement from July 1, 1998, to October 1, 1998.

Set Public Hearing on General Obligation Refunding Bonds and Introduction of Bond Order

Summary: Introduction of the Bond Order by the Finance Director and the consideration of a resolution which calls for a public hearing on the Bond Order, directs publication of said public hearing and directs the filing of a debt statement.

At City Council's direction of November 10, 1998, the Finance Director has filed with the Local Government Commission an application for its approval of \$18,500,000 General Obligation Refunding Bonds of the City of Asheville, North Carolina.

The Bond Order briefly describes the bonds to be issued in regard to: purpose; maximum amount; taxes to be levied; provides for a sworn statement of debt; and states the effective date of the Bond Order. The Bond Order will be published and a public hearing convened for its consideration prior to its proposed adoption by Council on December 8, 1998.

The Resolution calls for a public hearing on the Bond Order to be held on December 8, 1998 at 5:00 p.m. in the Council Chambers of the City Building; directs the City Clerk to publish notice of the public hearing no fewer than 6 days prior to the public hearing and directs the Finance Director to file with the City Clerk (prior to publication of the Bond Order and along with the notice of public hearing) a statement of the debt incurred or to be incurred, the appraised value of property subject to taxation by the City and the net debt of the City.

City staff recommends City Council adopt the resolution.

Amendment to Minority Business Plan

Summary: The consideration of a resolution to amend the Minority Business Plan in order to permit minority firms participation as mentors in the Mentor-Protégé Program.

In May of 1998, City Council adopted the Asheville-Buncombe Minority Business Plan. The Plan requires that "The Minority Business Commission shall establish a Mentor-Protégé Program." The Plan defines the Mentor-Protégé as "A program of the Minority Business Commission whereby *non-minority* firms provide assistance and mentorship to minority firms." (emphasis added) The Commission is currently working to implement the Mentor-Protégé program; however, they find the present program definition unnecessarily restrictive and exclusionary. There are many minority firms which have the experience, wisdom and commitment to serve as effective mentors; however, the current definition of the program unintentionally excludes their participation in the mentor role.

At their meeting on October 15, 1998, the Minority Business Commission recommended that the Plan's definition of the Mentor-Protégé program be amended to permit the inclusion of minority firms as mentors. Specifically revise the definition on page two of the plan as follows: "**Mentor-Protégé Program** – A program of the Minority Business Commission whereby minority and non-minority firms provide assistance and mentorship to minority firms."

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The resolution amends the Plan as recommended by the Minority Business Commission. The recommended revision to the Plan was adopted by the Buncombe County Commission earlier this month.

City staff recommends City Council adopt the resolution.

Pack Place Lease

Summary: The consideration of a resolution directing the City Clerk to advertise an offer from Pack Place Education Arts and Science Center, Inc. to lease the property owned by the City of Asheville and known as the Pack Place Education Arts and Science Center.

The City of Asheville owns the property on which the Pack Place Education Arts & Science Center is located. That property was leased to Pack Place Education Arts & Science Center, Inc. on December 13, 1988, for a ten (10) year term for the construction, operation and maintenance of the education, arts & science center.

The current lease with Pack Place Education Arts & Science Center, Inc. expires on December 12, 1998. Pack Place Education Arts & Science Center, Inc. has offered to lease the property again from the City for the continuing operation and maintenance of the education, arts and science center. Pack Place Education Arts & Science Center, Inc. desires to lease the property for more than ten (10) years.

N. C. Gen. Stat. sec. 160A-272 authorizes North Carolina cities to lease property for longer than ten (10) years if the lease is treated as a sale of property and is executed by following any of the procedures authorized for sale of real property in Article 12 of Chapter 160A of the North Carolina General Statutes. Of those procedures, N. C. Gen. Stat. sec. 160A-269 appears to be the most appropriate method for execution of a lease for more than ten (10) years for this property and requires that when an offer is made and the City Council proposes to accept it, a deposit shall be made with the City Clerk and the City Clerk shall publish a notice of the offer.

A deposit has been received and the general terms of the proposed lease are described in the notice.

City staff recommends the resolution directing the City Clerk to advertise the offer of the lease be adopted.

Mayor Sitnick asked that the record show that City Council has received this information and instructs the City Manager to place these items on the next formal City Council agenda.

ROSS CREEK URBAN WATERSHED PROJECT

Ms. Becky Rideout, representative of the Land-of-Sky Regional Council, briefed Council on the Ross Creek Urban Watershed Project, which is to restore Ross Creek and Kenilworth Lake. She reviewed the Project, the progress they are making and requested the City of Asheville's support through participation in the future. She felt one way for the City to show their support is for representatives from the Engineering, Public Works and/or Planning Departments to serve on their clean stream action team.

Councilwoman Field suggested Ms. Rideout coordinate her efforts with the recommendations in the consultant's report that the City had prepared approximately 4-5 years ago relative to stormwater.

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UPDATE ON FAIR HOUSING

Mr. Bob Smith, Executive Director of the Asheville-Buncombe Community Relations Council, updated City Council on fair housing activities as well as what they are doing regarding outreach in education.

Mayor Sitnick said that she would be happy to write a letter of support for Mr. Smith in his efforts to consider asking state and federal agencies make a broader definition of discrimination on any basis.

HONDA HOOT

Mr. Charles D. Keller, Manager of the Honda Rider's Club of America, presented City Council with an overview of the history of the Honda Hoot in Asheville and its impact to the community. He said that when the Honda Hoot first came to Asheville in 1994 it had 1,254 registered attendees with a financial impact of \$952,488. In 1998, they had 7,062 registered attendees with a financial impact of \$5,364,012. He said the total financial impact over the five years they have been to Asheville is \$16,448,720. He said the advertising/media dollars spent by Honda to advertise the Honda Hoot over five years is \$243,400, however, the advertising/media impressions for five years is \$16.2 million. He said Honda's philosophy is to invest in the community in which they are in, noting that in 1998 they spent \$362,261 in this market place. He also stated that \$73,000 was raised in 1998 in a motorcycle charity run for the Pediatric Brain Tumor Foundation.

He felt that the City of Asheville has a lot to offer in the field of travel, tourism and convention potential. He said that it is their intent to build a stronger bond with the community as they work toward the future. As they work toward that end, he said (1) they looked for is a way for their participants actually help off-set some of the expenses, i.e., Civic Center. For example, this year they have negotiated a rate with the individual hotels tacking on an additional \$2 to the room lodging for Honda Hoot participants only that at the end of the event that money would be turned over to the Civic Center to off-set rent; (2) they are always looking for ways to advertise more in order to bring more attention to an event. When they advertise, it should be remembered that this advertisement has a great deal of carry-over because people will remember Asheville and want to visit at different times during the year. This year the Tourism Development Authority helped them with \$15,000 to help off-set advertising; (3) another item is a pass-through costs. They asked that those items, i.e., donuts for their receptions, be passed through at cost and not marked up at the suggested retail price; (4) shared expenses. They hold a lot of free parties and request that when locals are being entertained that the City should share in the expenses of security, trash and even EMT's; (5) event parking. This year they are currently working with the City on a proposal which will allow them to buy parking permits from the City which can then be put on the motorcycles which will allow them to park in metered parking spots, in addition to buying out the Civic Center Parking Garage; (6) they need a clear, concise and consistent permitting process; and most importantly (7) a can-do team attitude with the City. In closing, he said that in the last five years, they have paid retail for police security, trash service, sanitation, port-a-potties, roving EMT's, Civic Center parking, Civic Center rent, and ground transportation. They would like to get the City's assistance in making that switch from paying retail to wholesale based on what the Honda Hoot brings to the marketplace.

Upon inquiry of Mayor Sitnick, Mr. Keller said they charge non-members \$50 and members \$45 for the event.

Councilwoman Field noted that City Council needs to also respect the concerns and needs of the people who live in Asheville every day.

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Civic Center Director David Pisha responded to the concern about pass-through costs, in particular the charge for donuts and coffee. He said that the cost includes labor going to get the items, setting them up in the Civic Center, along with tables, etc.

Mayor Sitnick said that the City has a policy with regard to festivals and such which policy treats all festivals fair and even-handed. She stressed that each organization feels that their festival is bringing something into the community.

With regard to the permitting process, City Manager Westbrook said that he would investigate the incident Mr. Keller mentioned, but also suggested that the planning for the Honda Hoot should take place far in advance of the actual event. Since the City has designated representatives to whom problems and issues can be brought during the event, he suggested their event coordinator know which City staff member handles specific problems and issues.

Mr. Keller felt that this may be an opportune time for Asheville to make whatever changes or improvements it may need to attract and keep large events like the Honda Hoot coming back to Asheville.

Mayor Sitnick agreed that Council may need to look at a possible policy amendment in the future regarding some instances where exceptions may be warranted. She did note, however, that the City does in fact subsidize approximately \$8,700 for the free outdoor parties Mr. Keller mentioned. In addition, all downtown police officers work the Honda Hoot almost exclusively during their event which is an additional estimate of \$10,000 the City subsidizes.

When Mr. Keller said that it appeared to be a distinct difference in the enforcement of the parking laws from last year to this year, City Manager Westbrook said that during the five days the Honda Hoot was in Asheville, the City issued a total of 585 parking citations to all vehicles, including motorcycles. Only 138 of those citations were issued to motorcycles, however, they were unable to distinguish between those motorcycles participating in the Honda Hoot and any others. Types and numbers of motorcycle citations were as follows: overtime parking - 74; parking in designated handicapped spaces - 18; and, parking in authorized areas (in intersections, loading zones and crosswalks; on sidewalks, etc.) - 46. He said that almost all parking tickets issued by the Police Department were complaint generated and it didn't appear to him that 138 out of 585 was unusual. On this issue, Mayor Sitnick said that just because people go to a different town and bring good things to that town doesn't mean they can break the rules or expect something different than is done for others.

With regard to the parking proposal for Honda Hoot, City Manager Westbrook said that after that plan is agreed upon, he will bring it to City Council for approval.

The following individuals spoke in support of the City helping the Honda Hoot where they can to keep this wonderful business opportunity in Asheville:

Mr. Phil Flack, Asheville resident and vendor at rally

Mr. Randy Fluharty, Chair of the Buncombe County Tourism Development Authority

Mr. John Weinkenwerder, hotel owner, former Chair of the Asheville Area Chamber of Commerce and former Chair of the Buncombe County Tourism Development Authority

Mr. Jay Garner, President and CEO of the Asheville Area Chamber of Commerce

Mr. Michael Smith, Vice-President and General Manager of Daniels Communications

Mr. Mike Kryvanek, General Manager of the Holiday Inn Sunspree Resort and former Director of Sales and Marketing at the Radisson

Mr. Mike Traynor, President of the Pediatric Brain Tumor Foundation

Ms. Rosalie Johnston, representing hotel properties that have less than 100 rooms

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In order to clear up a misconception, Mr. Keller said that American Honda Motor Co. and Honda Motor Company Limited, is a for-profit corporation. However, as far as their intent on this event, it is to grow the market place and they are not looking for immediate remuneration on it. Eventually, if they are good people, make the best product and embrace their consumers, it will be profitable to them. But it is not their goal to hold the Honda Hoot to make money as other rallies do.

Mr. Garner suggested City Council develop an incentive policy similar what City Council is already doing for traditional economic development on the industry side. At the request of Councilman Cloninger, Shelly Green, head of the Convention Visitor Bureau, said that she would research other cities to see what type policies they have along these lines, in particular to see how it's funded, whether by local money or room tax. It would also be interesting to know what, if any, their overall subsidy is of their convention center.

Councilman Cloninger said that it sounds like rather than considering, at this point, what we would be willing to do for Honda, if anything, we need to develop an overall policy that is fair, consistent, also has enough flexibility to take into consideration what the economic impact of a particular convention might bring. He would like to explore the idea of what some of the other communities are doing and also what City staff may be able to think of that might help the City develop a policy that looks at some of the larger conventions that come to the area.

It was the consensus of City Council to assign this task to the Future of the Civic Center Task Force and if Vice-Mayor Hay, Chair of the Task Force, feels additional staff support is necessary, he will so advise the City Manager.

Mr. Keller said that he will send City Council, the City Manager and the Civic Center Director a bullet-point sheet of their concerns and suggestions.

Mayor Sitnick said that there is no doubt that City Council would like to keep the Honda Hoot coming to Asheville and the City will work with them on a solution.

GENERAL OBLIGATION PARKS, RECREATION AND GREENWAY BONDS

Finance Director Bill Schaefer said that this is the consideration of the following three resolutions: (1) directing publication of notice of intention to apply to the Local Government Commission (LGC) for approval of bonds; (2) directing the Finance Director to submit an application to issue bonds for consideration by the LGC; and (3) making certain statements of fact concerning the proposed bond issue.

Based upon recommendations by the Parks and Recreation Master Plan Steering Committee and the Greenway Steering Committee, Council directed staff to proceed with a referendum for the issue of \$18,000,000 Parks, Recreation and Greenway bonds. The resolutions are the first in a series of actions required by Council to effect issue of the bonds.

The general obligation bonds shall be for the following purposes and in the following maximum amounts: \$18,000,000.00 of bonds for the purpose of providing recreation opportunities through the preservation and acquisition of land for open spaces, natural areas, environmental enhancements and greenways, including rights-of-way and easements; providing new recreation facilities, playfields and playgrounds, including acquisition of land, rights-of-way and easements therefor; and renovating existing parks and recreation facilities.

The first proposed resolution directs the City Clerk to publish "Notice of Intention to Apply to the Local Government Commission for Approval of Bonds". The notice states the purpose of the bonds, their maximum amount and provides instructions to citizens or taxpayers of the City of Asheville who -8-

object to the issue of bonds to file a written notice of their objection with the LGC and City Clerk within 7 days of the publication of the notice.

The second proposed resolution authorizes and directs the Finance Director to submit an application to the LGC to allow the City of Asheville to issue not to exceed \$18,000,000 General Obligation Parks, Recreation and Greenway Bonds and allow the retention of Parker, Poe, Adams & Bernstein L.L.P. as bond counsel for the issue.

The third proposed resolution provides "statements of fact concerning proposed bond issue" in regards to: (A) the necessity of the proposed financing; (B) the amount of the bonds proposed; (C) past debt management policies; (D) past budgetary and fiscal management policies; and (E) increase in taxes and retirement of debt. These "statements of fact" are required in order for the LGC to make determinations necessary to approve the City's request to issue Refunding Bonds.

City staff recommends City Council adopt all three resolutions.

Councilwoman Field explained that the Housing and Community Development Committee ("Committee") met to discuss the possibility of including, in addition to the parks, recreation and greenway bond, a bond to build a Housing Trust Fund. This is not money that will be grant money, but money that will be loaned and therefore, it will be a revolving fund. The Homes for Buncombe Asheville is requesting \$2 Million a year for five years to be added to the parks, recreation and greenway bond ballot, but to be voted on separately. They have a grant for \$6,000 and they have raised \$6,000 to do a survey or polling of the community to find out if this is the best way to do it. They have heard in other communities, a quality of life bond got more support than a parks, recreation and greenway bond. She asked if it would have a major affect on what we're doing to hold up for about a month so that the Homes for Buncombe Asheville can get their survey done. If it will, is there some way we can add it down the road? The Committee said that they would unanimously support their request for either a delay or some way of giving them some other opportunity, if it is appropriate, for them to come onto the bond issue in May. She did stress, however, that the Committee, under no circumstances, wants to hold up the parks, recreation and greenway bond.

Mr. Schaefer said that the process on the parks, recreation and greenway bonds has already started and they are aiming for a May 11 referendum. The two situations would be presented separately on the ballot. The documentation for those can be combined at certain points. The questions should stand separately on the ballot and he recommended we continue on with these three resolutions and at a later date, staff can bring in the documentation to address the housing trust fund. He said they probably have about a month within which to get the information.

Councilwoman Field said that after the Homes for Buncombe Asheville obtain their survey results, they will determine whether it is in the best interest to try to put together a quality of life bond issue or to do something separately.

Councilman Cloninger very strongly urged that the City proceed with the parks, recreation and greenway bond. In a letter received from Will Abberger, Director of Conservation Services with The Trust for Public Land, he read "Regarding the issue of the willingness of Asheville voters to support a tax increase for a parks and greenways bond, the survey tested a number of different appropriation levels, ranging from \$38 million to \$3 million. In our view, the survey indicated a sufficient level of support from Asheville voters, 62 percent, to support an \$18 million parks and greenways bond. We also polled the \$28 million appropriation level (between \$18 and \$28 million) with a question phrased to test the average tax increase to the individual property owner necessary to support this amount of bonds: when asked if they would be willing to support \$55 per year in additional taxes, only 50 percent of those surveyed responded yes. Based on the survey results, we believe any amount higher than \$18 million would be difficult to pass. ... Based on our experience with similar measures in other communities, the 62 percent level of support for parks and greenways indicated in the Asheville survey is likely to decrease prior to -9-

the actual vote." He was in favor of the idea of exploring a possible housing referendum and they should have an opportunity to conduct their survey and come back and see what might be done. However, he felt it was doubtful that a bond referendum with both issues is feasible. He also said that The Trust for Public Land's experience has been that traditionally parks and greenways bond measures stand the greatest chance of success if it is placed on the ballot alone, as a single. They are not optimistic about adding another

bond issue on the ballot. He also said that months and months of work has gone into the Parks and Recreation Master Plan to arrive at this point and we don't have that plan at this point with the housing trust fund.

Upon inquiry of Councilwoman Field, Mr. Schaefer said that it would not be appropriate to consider revenue bonds for the housing trust fund.

Mayor Sitnick hoped that if we cannot do the bonds together, that we work together to explore every avenue to find the kinds of funds that we need, e.g. some cities work with private developers to create incentives, some places dedicate a penny of the tax revenue for housing, etc. She hoped to be able to come up with a combination of sources that work.

Councilman Cloninger said that The Trust for Public Land is having their national meeting in early December and at that time they will make a decision on where they will devote their resources for the coming year. We need to send them a strong message that we are committed to the parks, recreation and greenway bond referendum. Mayor Sitnick also noted that they indicated that they would be more than willing to help the Affordable Housing Coalition with their efforts, should it come to that.

Ms. Beth Maczka, Director of the Affordable Housing Coalition, spoke in support of the quality of life bond. She explained that they do not want to propose housing to the detriment of parks. She appreciated City Council leaving the door open for them to include their bond question on the May 11 ballot, if, after their survey, the results indicate that is the best way to proceed. She did note that they are will continue to work with Buncombe County and the State Housing Trust Fund as well.

Mayor Sitnick asked that the record show that City Council has received this information and instructs the City Manager to place the resolutions relative to the parks, recreation and greenway bond on the next formal City Council Agenda. In addition, if it is determined that the Homes for Asheville Buncombe's survey determines that it is in their best interest to proceed with a quality of life bond, staff should be prepared to proceed with the documentation to place that item on the May 11 ballot as a separate issue.

REGIONAL AIR QUALITY

Mr. Kim Carlyle, representative of the WNC Alliance, read a letter dated November 3, 1998, which reads in part "we are very concerned about the deterioration of air quality in the mountain region of Western North Carolina. Although air pollution problems have been gradually worsening for many years in the mountains, the reduced visibility and public health warnings of this summer should serve as a wake up call for our community. Air pollution is reaching levels which seriously jeopardize public health and quality of life in the mountains. To begin addressing this problem, we ask the Asheville City Council pass a resolution in support of North Carolina join Tennessee in signing a Memorandum of Understanding (MoU) with federal agencies regarding regional air quality. ... The MOU does not address existing air pollution sources. It only addresses new sources of pollution which may impact the most pristine areas in the mountains. ... The MoU simply clarifies the implementation procedures for the Clean Air Act for all the state and federal parties involved." The resolution they requested City Council to adopt is as follows: "The Asheville City Council supports North Carolina join Tennessee in signing, unamended, the Memorandum of Understanding ("MoU") with federal agencies regarding regional air quality. At a recent public forum, citizens from across western North Carolina spoke overwhelmingly in favor of signing the agreement. This MoU will protect air quality in western North Carolina's most pristine areas, such as the Great Smoky Mountains National Park and Shining Rock Wilderness Area. The MoU -10-

is only concerned with facilitating the compliance of new industries with existing regulations. The Asheville City Council recognizes that clean air is vital to maintaining the public health, economic viability, and quality of life in the region. We urge the Governor to sign the MoU without revision." The letter was signed by

representatives of the American Grassroots Unlimited, Blue Ridge Environmental Defense League, Coalition for Scenic Beauty, Friends of the Blue Ridge Parkway, National Parks and Conservation Association, League of Women Voters-Asheville-Buncombe Chapter, Appalachian Voices, Coalition of Asheville Neighborhoods, Dogwood Alliance, Friends for Parks and Public Lands, League of Women Voters-NC State Office, Physicians for Social Responsibility, Sierra Club-Wenoca Group, UNC-A Environmental Quality Institute, Western Carolina Women's Coalition, Southern Appalachian Biodiversity Project, U.S. Public Interest Research Group-NC Field Office and WNC Alliance.

Councilman Cloninger clarified that this also applies to not only new industries but major expansions to new industries as well. He supported City Council's passage of the resolution, however, he would ask that City Council delete the word "unamended." He felt that it would be presumptuous of City Council, without knowing all of any potential amendments that might be on the table, which ones may be helpful and which ones may not be helpful.

Mr. Carlyle said that an important note in the summary of the permitting procedures Memorandum of Understanding on Air Quality, reads "The passage of any amendment to the MoU by a North Carolina signatory will render the agreement between NC and other signatory states invalid." Councilman Cloninger still recommended that the word "unamended" be deleted.

Councilwoman Field noted that all the organizations that encouraged City Council to adopt the resolution were environmental groups. She suggested that they encourage large business groups, like the Chamber of Commerce, to support the resolution in order to show the balance with other members in the community.

Mayor Sitnick asked that the record show that City Council has received this information and instructs the City Manager to place this item on the next formal City Council agenda.

FINANCING PURCHASE OF TWO FIRE TRUCKS AND A LOADER PACKER

Finance Director Bill Schaefer said that this is the consideration of a resolution authorizing the installment financing of two fire trucks and a loader packer.

The City of Asheville Fiscal Year 1998-1999 Capital Improvement Plan includes authorization in FY 98/99 for the purchase of two fire trucks (a severe service vehicle estimated to cost approximately \$120,000 and a pumper/telesquirt costing approximately \$255,000) and a loader packer for sanitation (approximately \$120,000); all of which are to be financed.

The Finance Department sought proposals from 30 firms to finance the purchase of a bulldozer for the Public Works Department. Twelve proposals were received, the best of which was submitted by Wachovia Leasing Corporation - - 3.74% interest plus \$250.00 closing cost. Wachovia Leasing Corporation has offered to extend those very favorable rates to finance other essential equipment authorized by our current budget.

Federal Tax laws make it advantageous for banks to lend to "bank qualified" governmental borrowers. As a result, banks can provide lower rates for loans to their "bank qualified" borrowers. For a local government to be "bank qualified" it must not contemplate issuing more than \$10,000,000 in tax-exempt debt in the calendar year in which the loan is made. The City of Asheville is "bank qualified" in 1998; however, we do not expect to be in calendar year 1999.

We do not anticipate delivery of the fire trucks and loader packer until normal competitive procurement can be completed for each of them; which will not occur until well into calendar year 1999. -11-

However, in order to take advantage of Wachovia's offer, the loan transaction must be closed not later than December 31, 1998. We propose to close the loan this year. We would then place the proceeds of the loan in escrow until each of the trucks is delivered, at which time funds would be drawn from escrow to pay the

purchase price.

The proposed resolution authorizes an installment purchase contract between the City of Asheville and Wachovia Leasing Corporation for the purchase of two fire trucks and a loader packer and authorizes the City Manager to execute and deliver any and all necessary documents.

City staff recommends City Council adopt the resolution.

Mayor Sitnick asked that the record show that City Council has received this information and instructs the City Manager to place this item on the next formal City Council agenda.

OTHER BUSINESS

I-26 Connector

Mayor Sitnick said that a letter has been received from Tom Kendig, Project Manager from the N.C. Dept. of Transportation ("NC DOT"), relative to the I-26 construction and related improvements calendar of events. He said project is divided into two components: I-26 Interstate Highway Construction and the I-26 Connector. The I-26 Interstate Highway Construction project has gone through the entire process and is currently under construction. Workshops and public hearings were held at the appropriate times. With regard to the I-26 Connector, this portion of the interstate will connect with existing I-26 and the interstate under construction as described in the first component. There are two additional public workshops to be held on the I-26 connector. The first will be held during the first quarter of 1999 and the second will be held during the summer. In addition during the March to April timeframe, it is anticipated that the environmental assessment will be complete. After having received the information from the public workshops and the environmental assessment, the NC DOT will hold a public hearing more than likely in the summer of 1999. Asheville would be the location of the public hearing. The NC DOT is legally required to follow this process.

Upon inquiry of Mayor Sitnick, City Manager Westbrook said that he was not sure if the City could hold a joint hearing with the NC DOT, and he thought that what NC DOT suggested was that City Council go to their public hearing. If City Council chooses to hold their public hearing earlier than NC DOT's hearing, chances are that if NC DOT members are present, they will not have their environmental assessment complete and they won't have any answers regarding many questions, like noise.

It was the consensus of Council that it should be made clear to the Asheville residents that the Asheville City Council does not have a decision in this and that the public forum will only be to hear from the community to express their concerns and opinions about the I-26 Connector. The NC DOT will be invited as well to listen to the comments. The purpose of the forum will be for City Council to relay the community's concerns to the NC DOT.

It was the consensus of City Council to wait until Councilman Cobb is present before any decision is made.

Joint Meetings

Mayor Sitnick received a letter from Buncombe County Manager Wanda Greene which asks if the City Council would be interested in a brainstorming session with all the elected officials in Buncombe County. A suggestion was that it be an overnight retreat with an agenda and a professional facilitator. She asked that if City Council is interested, that some potential dates be suggested for the event.

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It was the consensus of Council that they would be interested in this event and that it be held after their annual retreat, which is scheduled for the end of January 1999. The City Manager said that he would contact

Ms. Greene regarding the agenda, to make sure that it is a commonly created agenda.

Closed Sessions

Mayor Sitnick said that she has asked the City Attorney to draft a paragraph to City Council about seeing if Council would be agreeable to having as few closed sessions as possible in the future. She said closed sessions would only be on personnel matters, legal issues and land acquisitions. As soon as that information is ready she will bring it to City Council for their consideration.

CLOSED SESSION

At 6:04 p.m., Councilman Cloninger moved to go into closed session 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 price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange or lease - statutory authority is G.S. 143-18.11 (a) (5). This motion was seconded by Councilman Sellers and carried unanimously.

At 7:37 p.m., Councilman Sellers moved to come out of closed session. This motion was seconded by Councilwoman Field and carried unanimously.

ADJOURNMENT:

Mayor Sitnick adjourned the meeting at 7:37 p.m.

CITY CLERK MAYOR
