

Worksession

Present: Mayor Terry M. Bellamy, Presiding; Vice-Mayor Diana Hollis Jones; Councilwoman Robin L. Cape; Councilman Jan B. Davis; Councilman Bryan E. Freeborn; Councilman R. Carl Mumpower; Councilman Brownie W. Newman; City Manager Gary W. Jackson; City Attorney Robert W. Oast Jr.; and City Clerk Magdalen Burleson

Absent: None

**REPORT FROM CHAIRS OF POLICY COMMITTEES**

**Public Safety**

Councilman Mumpower, Chair of the Public Safety Committee, updated Council on the latest actions and discussions of the Committee and requested full Council action on the following items:

- (1) Traffic calming report – After a discussion of completed and active projects, the effects of traffic calming on traffic, the effect of traffic calming on police enforcement, vehicle damage, and the effect on other City services, Council voiced their opinions on traffic calming.

Councilman Freeborn encouraged the School Board to instruct the School Resource Officers at the elementary and middle schools to have more of a presence on the streets. He suggested presenting a menu of options (islands, bulb-outs, speed humps, increased police presence), with costs associated with each option, to neighborhoods and encourage them to be proactive in finding funds for their preferred option.

Councilman Newman was under the impression that once the active traffic calming projects were completed, Council would move away from comprehensive traffic calming to more pedestrian safety measures at targeted areas in the community, like schools and parks.

It was the consensus of Council to instruct City staff to initiate strong traffic enforcement.

Traffic Engineer Anthony Butzek will provide the full Council with more detail on the effectiveness of each street that has traffic calming in a format available to be placed on our website.

Mayor Bellamy said that once additional information from the Traffic Engineer has been formulated, the information will come back to the full Council.

- (2) Fund and Support the Quick Response Vehicles as deemed appropriate by Fire Department staff - After discussion, final action was to direct the Fire Chief to prioritize this request in his budget, noting that City staff has general policy direction from Council recognizing that this is important.
- (3) Police Department take home vehicles – After discussion, final action was for City staff to provide additional information regarding the cost of this program.

-2-

**Housing & Community Development**

Vice-Mayor Jones, Chair of the Housing & Community Development Committee, updated Council on the latest actions and requested full Council action on the following items:

- (1) At the request of Mayor Bellamy, Councilman Newman moved to excuse Mayor Bellamy from participating in this matter due to a conflict of interest. This motion was seconded by Councilman Mumpower and carried unanimously. Mayor Bellamy turned the meeting over to Vice-Mayor Jones. Approval of Mountain Housing Opportunities' request for a \$500,000 loan (for Crowell Park) on provisional terms of 0% interest for 15 years, with the condition that the final terms would be set after the Fiscal Year 2007 property tax rates are known. After discussion, final action was to bring this matter forward to the April 25, 2006, meeting. Vice-Mayor Jones turned the meeting back over to Mayor Bellamy.

- (2) Committee performed due diligence on 8 Cedar Street on whether to sell the property to the highest bidder or retain as affordable housing. After discussion, final action was to bring this matter forward to the April 25, 2006, meeting.
- (3) The following three amendments to the Housing Trust Fund guidelines: (1) To increase the loan limit to \$500,000; (2) To significantly increase price limits for both the Housing Trust Fund and the Fee rebate program; the limit for a 3-bedroom unit should be \$160,000; and (3) To allow the developer to exceed price limit if other subsidies are available to make home affordable to low-income buyer. After discussion, final action was to bring this matter forward to Council at their April 25, 2006, meeting.
- (4) Funding recommendations for the Community Development Block Grant funds. Final action was to bring this matter forward to Council at their April 25, 2006, meeting.

### **Planning & Economic Development**

Councilman Davis, Chair of the Planning & Economic Development Committee, updated Council on the latest actions and discussions of the Committee, some being, but are not limited to: Eagle/Market Street redevelopment; areas of improvement with networking with Council members in terms of overall performance from staff on important issues, e.g., planning policies and processes; discussion of Board of Adjustment responsibilities and explanation of appeals process; and preliminary review of future annexation plans.

In addition, at the meeting, the Committee heard a presentation from Coalition of Asheville Neighborhoods regarding the Board of Adjustment appeals process.

After considerable discussion about the appeals process, particularly with development issues, Mayor Bellamy stressed that City Council is the policy-making board and if there is a procedure in place that is not working, Council can create new policy and move forward. She asked City Council for possible solutions. Some suggestions were (1) expanding the length of time to appeal to the Board of Adjustment; (2) having a private Certified Planner signing off on Unified Development Ordinance interpretations that are being aggrieved; (3) procedure for citizens getting their "Day in Court"; (4) make sure aggrieved parties go through an established process before it comes before Council; (5) ask for third-party reviews only in extreme measures, with possible shared cost; (6) develop an alternative process for the public to appeal decisions of

-3-

the Unified Development ordinance; and (7) process for citizens to be heard and responded to by Council not only with development issues.

Councilman Newman moved to refer this matter to the Planning & Economic Development Committee. This motion was seconded by Councilman Mumpower and carried unanimously.

City Manager Jackson said that staff will research some best practice models in other cities.

Mayor Bellamy pointed out that this seated Council has only been in place for 5 months and cannot address problems without giving them time within which to research and obtain data to help support good policy changes.

### **Closed Session**

At 5:07 p.m., Councilman Mumpower moved to go into closed session for the following reasons: (1) To establish or to instruct the City's staff or negotiating agents concerning the position to be taken by or on behalf of the City in negotiating the terms of a contract for the acquisition of real property by purchase, option, exchange or lease. The statutory authorization is contained in G.S. 143-318.11(a)(5); and (2) To consult with an attorney employed by the City about matters with respect to which the attorney-client privilege between the City and its attorney must be preserved, including potential litigation. The statutory authorization is contained in G.S. 143-318.11(a)(3). This motion was seconded by Councilman Freeborn and carried unanimously.

At 6:10 p.m., Councilman Freeborn moved to come out of closed session. This motion was seconded by Councilwoman Cape and carried unanimously.

### **Revenue & Finance**

Councilman Newman, Chair of the Revenue & Finance Committee, updated Council on the latest actions and discussions

of the Committee, some being, but are not limited to: increase and decrease recommendations for various fees and charges; outside agency funding will be discussed at the next Committee meeting; and heard a presentation from firefighters about their long-standing concern regarding retirement.

At the suggestion of Vice-Mayor Jones, Councilman Newman said that the Committee would be open for Council to suggest an amount of money that would be available for outside agency funding.

## **2006-07 BUDGET PLANNING**

### **General Fund Overviews**

Chief Financial Officer Ben Durant reviewed with Council the revised budget schedule, with the public hearing being held on June 13, 2006, and final adoption being on June 27, 2006.

He explained that the goals of this budget preview session will be to (1) provide updated financial and budgetary forecasts; (2) identify budget-balancing alternatives; and (3) offer Council decision packages for resource allocation in Fiscal Year 2006-07 budget.

Policy decisions will be (1) what should the price of government be – (a) what are citizens willing to spend; (b) what are the citizens priorities and desired outcomes; and (c) what is the

-4-

price of priority outcome; (2) who should bear the cost of general government services – (a) users of the service (through fees and charges); (b) all citizens for the good of the whole (through taxation); and (c) outsiders who pay no taxes, but enjoy the benefits of city services and programs; and (3) which should take funding priority in any given year – long term needs or short term goals.

He then reviewed the General Fund revenue assumptions of property tax; licenses and permits; intergovernmental revenues; sales tax; and one-time revenues. In addition, he reviewed with Council in detail the General Fund Revenue Summary.

General Fund expenditure assumptions: maintains current level of service in most areas; personnel; operating costs; capital expenditure; General Fund Subsidy of Enterprise Fund reduced; and additional General Fund needs identified by Council and staff, but not budgeted. He then reviewed in detail the General Fund Expenditure Summary.

Another topic Mr. Durant reviewed was the General Fund subsidy of enterprise funds: Civic Center Fund, Festivals Fund, Golf Fund, Housing Trust Fund, Parking Fund, Transit Fund, Transit Motor Vehicle Fee, Stormwater Fund and Water Fund. The Fiscal Year 2005-06 amended budgeted was \$2,661,622 and the Fiscal Year 2006-07 budget estimate is \$2,380,222.

He reviewed the General Fund continuation budget summary of a General Fund budget gap of \$2.4 Million. Requests not currently in the General Fund budget include: (1) market-based compensation plan - \$2.2 Million; (2) service enhancement requests - \$1.8 Million; (3) strategic initiatives (\$1.8 Million); and (4) capital improvements - \$11.9 Million = Total \$17.7 Million. Capital Improvement requests not in the budget (current capital needs without identified source of funding): (1) General Fund (fleet, technology, maintenance) - \$11.9 Million; (2) Golf Fund (irrigation system) - \$1.0 Million; (3) Water Fund (infrastructure) - \$8.2 Million; and (4) Civic Center (existing facility) - \$16.6 Million = \$37.7 Million.

Staff recommendations for the General Fund budget balancing alternatives: (1) proposed reductions in spending of \$460,000 (professional/contracted services; staff realignments; and departmental line item adjustments); and (2) proposed revenue enhancements of \$870,000 (privilege license adjustments; fee and permit adjustments; and cost recovery/allocation).

He explained in detail further considerations for Council for balancing alternatives: (1) possible reductions in spending: maintain Housing Trust Fund at current level (no new funding in Fiscal Year 2006-07); reduce service levels; eliminate low priority programs; reduce/eliminate funding for outside agencies; achieve 100% cost recovery for co-sponsored activities/events; defer capital expenditures; and defer filling position vacancies; and (2) revenue opportunities: property tax rate adjustment; increase recycling fee to include organic (loose leaf/brush) & bulky goods collection and recycling; adjust other fees and charges; and one-time revenue generation (proceeds from sale of land and appropriation of fund balance).

He outlined other potential service reductions, but not recommended: (1) reduce service in streets and sidewalk maintenance; (2) discontinue right-of-way maintenance; (3) scale back lower priority programs in public safety; (4) scale back lower priority programs in Parks and Recreation; (5) reduce Community Oriented Government Services; (6) extend PC leases/utilize free

software; (7) reduce departments line items in training and professional services; and (8) eliminate 12 full-time employees (currently vacant positions). This totals \$1.3 Million.

He asked for the following policy guidance from Council: (1) what is the appropriate balance between budget cuts and revenue enhancements for Fiscal Year 2006-07; (2) should we continue to raise fees while reducing reliance on property tax, or vice versa; (3) should we

-5-

reduce/eliminate low priority services; (4) should we employ short-term (or one-time) budget balancing strategies, for recurring expenditures; (5) should funding and support for the City's external partners take precedence over City services and internal operations; and (6) should we continue to delay capital improvements in order to balance the budget in the short-term.

Mr. Durant summarized the Civic Center Fund, the Festivals Fund, the Golf Fund, the Parking Fund, the Transit Fund, the Stormwater Fund, and the Water Fund.

Next steps include the (1) Revenue & Finance Committee reviews/recommends proposed fee adjustments and outside agency funding requests; (2) Council reviews unfunded expansion and Capital Improvement Plan detail requests; and (3) Council provides feedback to budget staff for completion of proposed budget by April 28, 2006.

Throughout Council discussion and their individual comments, Mr. Durant obtained direction from Council, as well as responded to various questions/comments, some being, but are not limited to: are we tracking the funds from the Housing Trust Fund used for Hurricane Katrina efforts; better documentation of the operating costs in the Parking Fund; what is the Consumer Price Index; what is the percentage increase in our revenues this year vs. last year; can the City initiate an employment tax and do other cities in North Carolina have such a tax; why is the method of paying for motor vehicle license fees being requested for change; need to define what the core services are for city government; what is the long-term result when we delay capital improvements; need to find a way to eliminate the subsidies going to the Civic Center Fund and the Golf Fund; does the City have a privatization analysis; request for figures for police, fire and public works regarding festivals; support for a revenue neutral tax rate; request for the appraised value of the Civic Center; is the Housing Trust Fund meeting a realistic need; request list of what capital improvement plan items would be deferred as a potential cost reduction; request for additional information on what the right-of-way maintenance reduction would consist of; request for more information on what the Parks & Recreation Department reductions would be; request for additional information on what things would be reduced in the Community Oriented Government Program; request for additional information on what businesses would be impacted in the privilege license changes; request for more information on how the fees and permit increases would impact small businesses; how does this preliminary budget impact our sales tax if we go revenue neutral; is this preliminary budget projected at revenue neutral; need to review each parcel of land fully to make sure selling it would be in the best interest of the City; can the City raise the motor vehicle fee; need to issue some bonds and increase the \$8.2 Million capital improvement request not in the budget for Water Fund infrastructure; what do other cities across the state charge for their transportation systems; need to find additional \$425,000 for portion of pay plan recommended by Fox Lawson consultants; comments about a 5-year budget; need more detail about possible reduction/elimination of low priority services and how our citizens would see that impact; and request that all cost savings that we get this year from budgets go directly into the General Fund instead of automatically being reallocated to those departments, and request for that total amount.

Mr. Durant said that he will be contacting Council members next week to arrange a time to review what the budget scenario will look like after staff takes the Council's comments and works to close the gap.

After discussion, Mayor Bellamy asked that before staff prints the proposed budget, that Council be given another preview session like this on May 8, 2006, with the requested information from this session, in order to give staff final direction. In addition, it was the consensus of Council to allow public comment at May 8 worksession on the proposed budget, in addition to the public hearing scheduled on June 13, 2006.

-6-

Mr. Durant said that he would review the state statutes to determine the timeframe in which he needs to have a formal proposed budget available for City Council, the City Clerk, and public inspection.

Upon inquiry of Councilwoman Cape, City Manager Jackson said that we can expand the public communication distribution of information, including posting the information on our website.

City Manager Jackson said that staff will use these comments as base information and start showing more staff

recommendations that are consistent with a revenue neutral budget. It will then be clear to Council what is not included in a revenue neutral budget and then Council can determine if that stalls or furthers Council's long-term objectives. In the interim, Council will receive the detail of what is in those unfunded items because you will see that most significant initiatives that move many of the strategic goals identified by Council fall into those categories.

It was the consensus of Council to send to Mr. Durant and/or City Manager Jackson any Council initiatives that have budgetary impacts by May 8, 2006.

At 8:11 p.m., Mayor Bellamy announced a short recess.

### **Water Fund**

Director of Water Resources David Hanks reviewed with Council the Water Department's expenses in the Fiscal Year 2006-07 budget: In detail he reviewed the operations & maintenance – in the amount of \$15.45 Million; debt service – in the amount of \$5.2 Million; and capital improvement projects – in the amount of \$8.2 Million – totaling \$28.85 Million for the annual water system expenses.

Mr. Hanks then reviewed the capital improvement projects funded by the CIP fee for Fiscal Year 2006-07 and Fiscal Year 2007-08: water treatment plant, distribution system projects, neighborhood projects, transportation improvement projects and water facility.

He reviewed in detail the CIP fee impact on average customer bills; the recommended uniform rate structure water rates by customer class; the combined impact of CIP fee and uniform rate structure; the impact of phasing for uniform rate; the impact of reduced rate for minimum volume usage; the combined impact of CIP fee and minimum volume rate; and the wholesale customer rates (Town of Woodfin, Town of Biltmore Forest and Town of Black Mountain).

Throughout Council members voicing their opinions, Mr. Hanks responded to various questions/comments from Council, some being, but are not limited to: what are the largest water users; have any manufacturers expressed concern over possible CIP fee; is this in line with the Brown & Caldwell report; request to identify the \$4.5 Million of distribution system projects; request for average utility increases, e.g., gas, electricity, etc.; request for information about how many manufacturers are outside the City limits with significant employees; what is the reasoning behind bringing the Bee Tree facility back on line; has there been an analysis that shows what severity of drought would be necessary to occur that would max out North Fork Reservoir and the full capabilities of the Mills River Treatment Plant; how long would it take to put the Bee Tree facility on line; why isn't City staff recommending the minimum volume rate at this time; and does staff anticipate an annual rate increase of the CIP.

Council members felt that it would be prudent to be sensitive about harming our manufacturers with any increase.

Mayor Bellamy spoke in favor of the \$15-20 Million debt capacity so we can begin work on our Capital Improvements Plan. She supported the CIP fee, but since this is our first year with

-7-

the system, she didn't think the uniform rate should begin. She felt we need to strengthen our accountability to our community and distribute them more information on our water system and how the fee will help with the infrastructure.

Councilman Mumpower understands that Henderson County has a strong interest in working again with the City of Asheville in finding a way to put the expensive water treatment plant Henderson County to good use. He felt the City should not look at putting Bee Tree on line, but work with Henderson County.

City Manager Jackson understood that the majority of Council has provided staff with direction to proceed with the CIP fee.

Councilman Newman felt that since water is a big issue in the community and felt a stand-alone public hearing (without being included in the 2006-07 Annual Operating Budget public hearing), should occur. City Manager Jackson responded that if Council is ready to proceed with the CIP before the annual budget public hearing that can be accomplished. However, he felt that in the long-term management of a utility that it makes sense to annually review the cost of service and the rate structure in order to get into a regular cycle.

It was the consensus of Council to instruct City Manager Jackson to contact Henderson County and possibly other surrounding counties to begin a process to explore possible water purchasing negotiations.

## UDO AMENDMENT REVIEW

- City Attorney Oast said that this Unified Development Ordinance amendment is being brought before City Council in order that staff may respond to questions Council may have prior to the public hearing, which has been scheduled on April 25, 2006. He advised Council that it would be inappropriate for Council to receive comments from the public at this worksession.

### Central Business District Revisions

- Urban Planner Alan Glines, with the assistance of Mr. Peter Alberice and Mr. Pat Whalen, members of the Asheville Downtown Commission, explained that this is the consideration of (1) an amendment to the Unified Development Ordinance ("UDO") to strengthen the requirements for projects located in the Central Business District ("CBD"); and (2) an amendment to the UDO to adjust the review thresholds for minor and major works for the Downtown Design Review program; (3) a resolution to adopt the Key Pedestrian Streets Map to be used to support the Central Business District zoning; and (4) an ordinance to expand the design review boundary map.

- This proposed amendment is drafted to update the Code of Ordinances regarding projects located in the Central Business District. The City is experiencing continued growth and development in the downtown Central Business District. The Downtown Commission was appointed by City Council to recommend policy and to support downtown revitalization. They have carefully considered the proposed wording changes for nearly three years. As downtown's stock of existing buildings have been renovated to new uses, opportunities for new construction have shifted to under-developed infill lots in and around the periphery of the downtown core. This expansion from the core area will be the growth areas of the central business district. The proposed wording amendments to the UDO will provide additional requirements for new construction to ensure an urban style of development in the downtown area. Development along specific key pedestrian streets would have some additional requirements to improve the character of the street and strengthen the sense of place. The Key Pedestrian Streets Map, first developed for the City Development Plan 2025, is being submitted for adoption along with these ordinance

-8-

amendments. An additional item that is being submitted for consideration is a minor expansion of the boundary map, which outlines the coverage area for the Downtown Asheville Design Guidelines. The expansion seeks to include all parcels zoned CBD into the design review area. The Downtown Asheville Design Guidelines were adopted in the late in 1980's. The guidelines provide direction for new construction or major renovations in the downtown area. The program is administered by the Downtown Commission under a mandatory review and voluntary compliance authority. The current proposal seeks to amend this design review area to expand and include the entire area of the central business district (CBD zoning district). In order to balance out the need for a wider design coverage area and clearer requirements for new construction, the Downtown Commission is recommending that the design review program match City development review thresholds that are already in place. This means that instead of reviewing all projects greater than 5,000 square feet as currently provided for in the UDO, the Downtown Commission will review projects that are Level II and Level III projects. Staff will provide compliance review for Level I projects in a similar fashion as is done currently for projects under 5,000 square feet. This change in threshold requires an amendment to the UDO section that covers the downtown design review program. In summary, the proposed changes to the Central Business District section of the UDO, the Key Pedestrian Streets Map, the amendments to the Downtown Asheville Design Guidelines and review thresholds are expected to enhance and maintain the redevelopment that has occurred in downtown and provide direction, maintain the character and reinforce the urban form for new construction.

#### Pros –

- The ordinance amendments protects existing downtown development as new projects are proposed.
- The requirements for new construction ensures that new projects will add to the character of the downtown area and strengthen the urban form.
- Because the major part of downtown's stock of existing older buildings are renovated, new growth will be in the form of new in-fill construction. The amendments will be in place in time to positively affect this new development
- The dense development pattern of the core area of downtown will expand out to the edges of the Central Business District.

#### Cons –

- Some older businesses may find that their use would be a better fit in a more suburban setting.
- New development will place greater pressure on existing infrastructure.

The Downtown Commission voted to recommend approval of the proposed changes to the UDO covering the Central Business District. Staff concurs with this recommendation. In addition, at the Planning & Zoning Commission's February 12, 2006, meeting the Commission voted 6-0 to recommend approval of the proposed amendments with several minor changes that have been incorporated into the current ordinances contained herein.

City staff recommends City Council approve (1) an amendment to the Unified Development Ordinance ("UDO") to strengthen the requirements for projects located in the Central Business District ("CBD"); and (2) an amendment to the UDO to adjust the review thresholds for minor and major works for the Downtown Design Review program; (3) a resolution to adopt the Key Pedestrian Streets Map to be used to support the Central Business District zoning; and (4) an ordinance to expand the design review boundary map.

Councilwoman Cape felt we needed clarify on how we write our codes and suggested moving towards a form code.

-9-

Upon inquiry of Councilman Mumpower, Mr. Alberice said that in Phase II a form code will be addressed, along with discussion of height limits, affordable housing and other incentives to allow for higher and more dense development.

Mayor Bellamy asked that the record show that City Council received this information and instructed the City Manager to place this public hearing on the next formal City Council agenda.

## **STATE LEGISLATIVE PROGRAM**

City Attorney Bob Oast said that this is the consideration of requests for legislative action for the 2006 "short" session of the North Carolina General Assembly

Perhaps the most important factor in Council's consideration of the matters it wishes to submit for legislative consideration is that the legislative session for 2006 is a "short" session – in essence, a continuation of the 2005 "regular" session. Under the rules of the General Assembly only certain matters are eligible for consideration in the short session:

1. Bills that passed one house but not the other when the 2005 General Assembly adjourned (crossover bills);
2. Bills affecting pensions or retirement;
3. Bills making appointments;
4. Bills dealing with governmental reorganization;
5. Bills dealing with State budgetary matters;
6. Study bills;
7. Non-controversial local bills.
8. Other bills of a procedural nature may be introduced, as may bills that are introduced pursuant to a joint resolution.

Of the matters eligible for consideration, the provision for local bills is of most relevance to the City. Our legislators have advised in the past that "non-controversial" means not only that the proposal must have unanimous Council support, but also that the greater community is in general agreement with it.

The General Assembly reconvenes on Monday, May 9. In order to be eligible for consideration, any local bill must be submitted to the Bill Drafting Division by May 17, and introduced (House) or filed for introduction (Senate) by May 24.

- I. LEGISLATIVE ACTION NEEDED. There have been several matters in the last year or so when it was recognized that legislative action was needed or desirable.
  - A. Settlement agreement with Progress Energy regarding Lake Julian. Near the end of last year, the City and Progress Energy reached an agreement settling the 2000 litigation involving the attempted annexation of Progress Energy's Lake Julian power generating facility. Pursuant to this agreement, the City would cease attempts to annex Progress Energy's Lake Julian facility, and Progress Energy would continue to pay the City a utility franchise tax. This essentially amends an earlier (1994) agreement, formalized by legislation, settling a dispute (and threatened litigation) over the utility franchise tax.

This settlement agreement was discussed with the legislative delegation prior to Council acting on it back in the Fall. The delegation has indicated that this matter is appropriate for consideration in the short session, and that they will take the appropriate steps to have it enacted into law.

-10-

- B. Voluntary / legislative annexation in South Asheville. The area between the southern City limit and Henderson County is developing rapidly. For a variety of reasons, some of the commercial developments in this area wish to

be annexed into the City of Asheville. Under current law, however, voluntary annexation is complicated because those areas are closer to Fletcher than they are to Asheville's primary corporate limits, even though Fletcher cannot expand into Buncombe County. Last year, legislative action was required in order to annex some commercial properties in the new development near the airport. This year, a similar situation has arisen with other commercial properties, and legislative action will likely be required again.

It may be possible to address this issue by reaching an annexation agreement with Fletcher, but legislation may provide a more long term solution.

C. Annexation of I-26 corridor. This corridor connects Asheville's primary corporate limits with its major satellite (the Airport), and with the rapidly developing (and voluntarily annexing) areas south of town, as described above. Construction work along I-26 and increased traffic, much of it local, make a municipal level of traffic enforcement in this area desirable. We have discussed this with DOT, and they have indicated support for this corridor being incorporated into the City. We have not discussed this with members of the delegation, but it is a possibility for action.

II. OTHER MATTERS: The City has in recent years considered seeking, and in some cases has sought, legislative action on several other matters. Some matters that may be of continuing interest to Council are:

- A. Dedicated revenue for Civic Center. This discussion has typically centered on an occupancy or hotel tax, a prepared food and beverage tax, or a local sales tax.
- B. Camera enforcement of red light violations. This is permitted by local act in several jurisdictions around the State. Currently, there is litigation pending on the proper use of the proceeds from the civil penalties.

The reasons why these matters have not moved forward include:

1. lack of uniform support on Council
2. lack of support among our delegation
3. insufficient information on how the revenue will be used (Civic Center)
4. inability to certify that the measure is not controversial.

It is unlikely that these measures would qualify for introduction or action in this short session.

III. NEW MATTERS. In addition to the above listed items, there may be matters that the Council wishes to propose for legislative consideration. Those would be subject to applicable rules regarding consideration in the short session. Also, we always look at proposed legislation affecting other local governments for consideration of whether Asheville should be included among the localities to which it applies. We will advise you if we see any items that are of potential interest to Asheville,

We are anticipating that we will proceed with requesting action on the settlement agreement with Progress Energy and we recommend that the legislative action be requested as

-11-

to voluntary annexation of developing areas to the south of town, and as to the I-26 corridor. We will prepare the appropriate information, depending on Council's direction.

Councilman Newman explained his following proposals: (1) Asheville be allowed to increase our local hotel occupancy fee from 4% to 6%, with the new 2% revenue being available for (a) operate and repair the Civic Center; (b) promote and support events in Asheville that increase visitor room nights in Asheville; and (c) create workforce housing in Asheville, focusing on the needs of workers who make at or near minimum wage. If our local delegation will not increase our hotel occupancy rate, then request that the existing 1% which is dedicated to local tourism product development be re-allocated to City Council to be dedicated to the operation and repair of the Civic Center; (2) If additional funds beyond the hotel occupancy fee are needed to operate and repair the Civic Center, then request the ability to charge a local fine-dining tax – in the form of prepared food and beverage tax but would exempt meals which cost less than \$35; (3) due to the deeply regressive nature of sales tax, Asheville should oppose any new sales tax; and (4) allow local governments to decide if they want to create public financing for local elections. Legislation has been introduced to allow cities over 50,000 to establish public financing of municipal elections.

Councilman Mumpower explained his following proposals (1)



criminal justice system reform; and (2) repeal of Sullivan Acts II and III. He suggested we approach our legislative delegation know of our specific needs regarding the Civic Center and ask them for the best way on creating a revenue stream.

Councilman Davis felt our local delegation expects the City to come with them with a plan and he didn't believe that could be accomplished with the short time-frame for this short session. In addition, he said that this is the first time the Tourism Development Authority has committed (with a good plan) to ask the local delegation for a percent to be added.

Vice-Mayor Jones explained her proposal that we ask the local delegation to increase the child care reimbursement rate for Buncombe County.

After each Council member expressed their support or opposition for various legislative items, it was the unanimous support of Council to submit the following for the state legislative program (1) settlement agreement with Progress Energy regarding Lake Julian; (2) voluntary/legislative annexation in South Asheville; (3) support for presenting the legislation with a menu of options, with the exception of the local sales tax, for a dedicated revenue stream for the Civic Center; (4) child care subsidy; (5) criminal justice system reform; and (6) repeal of Sullivan Acts II and III.

At the request of Councilman Newman, Mayor Bellamy said that if Council has other broader public policy issues, that Council should circulate that additional information prior to the next formal meeting at which time the issues will be voted on separately.

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

#### **BOARDS AND COMMISSIONS:**

It was the consensus of City Council to appoint Jessica Leaven as an Alternate Member to the Board of Adjustment.

It was the consensus of City Council to ask the City Clerk to extend the application deadline for another month in order to obtain more applications for a vacancy on the Buncombe County Tourism Development Authority.

-12-

It was the consensus of City Council to ask the City Clerk to arrange the following interviews for a vacancy on the Asheville Transit Commission: Bruce Emory, Hanna Miller and Yuri Koslen.

#### **OTHER BUSINESS**

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Vice-Mayor Jones announced that the Tourism Development Authority will be holding a 2-day charette for the community to get input on how to utilize the product development dollars.

#### **ADJOURNMENT:**

Mayor Bellamy adjourned the meeting at 10:25 p.m.

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CITY CLERK

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MAYOR