

Regular Meeting

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

EXPRESSION OF SYMPATHY

On behalf of the City Council and the citizens of Asheville, Mayor Bellamy expressed its deepest sympathy to the family of Jackie Clark, who was killed on June 8, 2006, in an automobile accident. Division Chief Clark was an active member of the Asheville Fire Department for over 25 years.

INVOCATION

Councilman Freeborn asked for two moments of silence.

PLEDGE OF ALLEGIANCE

Mr. Fred English led City Council in the Pledge of Allegiance.

I. PROCLAMATIONS:

A. PROCLAMATION PROCLAIMING JUNE, 2006, AS "APHASIA AWARENESS MONTH"

Councilman Davis read the proclamation proclaiming June, 2006, as "Aphasia Awareness Month" in the City of Asheville. He presented the proclamation to Ms. Edna Tipton who briefed City Council on some activities taking place during the month.

II. CONSENT AGENDA:

Mayor Bellamy asked that Consent Agenda "G" be removed from the Consent Agenda for an individual vote.

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON MAY 23, 2006

B. RESOLUTION NO. 06-111 - RESOLUTION AUTHORIZING THE MAYOR TO SELL AIR SPACE ADJACENT TO 12 S. LEXINGTON AVENUE TO CENTRINO LLC

Summary: The consideration of authorization authorizing the Mayor to convey air space adjacent to 12 South Lexington Avenue to Centrino, LLC.

On May 23, 2006, the City Council of the City of Asheville directed the City Clerk to advertise for upset bids regarding an offer to purchase air rights to City owned property adjacent to 12 South Lexington Avenue (PIN 9649.18-40-1034) for the sum of \$2,000. The notice ran in the Asheville Citizen-Times on May 26, 2006, as provided in N. C. Gen. Stat. sec. 160A-269. No upset bids were received in response to said advertisement.

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Approval of the resolution will authorize the sale of the property to Centrino, LLC for the amount of \$2,000.

The positive aspects of the transaction are:

- The sale will be at fair market value as established by independent appraisal.
- It will provide for a more practical approach to the air space occupied by the balconies.
- It will clarify responsibility and liability for the balconies.

There is no negative impact.

City staff recommends City Council authorize the Mayor to convey air space adjacent to 12 South Lexington Avenue to Centrino, LLC.

RESOLUTION BOOK NO. 30 – PAGE 31

C. RESOLUTION NO. 06-112 - RESOLUTION ACCEPTING BODDINGTON COURT AND A PORTION OF RACQUET CLUB ROAD AS CITY-MAINTAINED STREETS

Summary: The consideration of a resolution to accept Boddington Court and a portion of Racquet Club Road in South Asheville as City-maintained streets.

Section 7-15-1(f)-4.a requires that streets dedicated for public uses be accepted by resolution of City Council.

Boddington Court is a developer-constructed street that has an average paved width of 20 feet and a length of 0.14 miles. Engineering Department staff inspected this street and finds it to be constructed in accordance with the approved standards.

A portion of Racquet Club Road is currently maintained by the City. In order to accept maintenance of Boddington Court the City must accept maintenance of an additional section of Racquet Club Road. This section of Racquet Club Road is 20 feet in length and 0.02 miles long. The right-of-way for this section of Racquet Club has been recorded. The property owners adjacent to this section of roadway have requested the acceptance of the street.

Following City Council's approval of this resolution, Boddington Court and a portion of Racquet Club Road will be added to the official Powell Bill list. A two-year warranty, from the time of Council acceptance, will be required by the developer to cover major failures in the roadway.

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Pros:

- Property owners inside the City on this section will receive relevant City services for future maintenance and other related street services.
- The City will receive Powell Bill funds from the NCDOT to maintain the roadway.

Cons:

- Powell Bill funds will not cover 100% of the cost to maintain the street.

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City staff recommends City Council accept Boddington Court and a portion of Racquet Club Road in South Asheville as a City maintained street.

RESOLUTION BOOK NO. 30 – PAGE 32

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D. RESOLUTION NO. 06-113 - RESOLUTION AUTHORIZING THE MAYOR AND KEY CITY STAFF TO ACCESS THE FEDERAL TRANSIT ADMINISTRATION'S TRANSPORTATION ELECTRONIC AWARD AND MANAGEMENT SYSTEM

Summary: The consideration of a resolution authorizing the Mayor and key City staff to access the Federal Transit Administration's Transportation Electronic Award and Management (TEAM) System.

The Federal Transit Administration (FTA) uses the TEAM system to award, administer and oversee federal funds granted to transit systems. The Mayor and the City Attorney require access to the system to agree on behalf of the city to the certifications and assurances sought by the FTA as a condition of making the grant, and, to actually submit the application for the grant which allows the City of Asheville to receive FTA funding. Grant administration and origination will be performed by the Transit and Parking Services Manager and the Transit Planner. This action is a required by the FTA in order to receive federal funds to support transit operations.

This action conforms with the Strategic Operating Plan in the Planning Focus Area- Goal #2-A Multi-modal Transportation System, leveraging outside funding sources

Pros:

- Allows the origination of grants to receive federal transit funding.

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Cons:

- None

City staff recommends adoption of the resolution authorizing the Mayor and key City staff to access the Federal Transit Administration's Transportation Electronic Award and Management System.

RESOLUTION BOOK NO. 30 – PAGE 34

E. ORDINANCE NO. 3365 - ORDINANCE DISSOLVING THE TAXICAB ADVISORY BOARD

Summary: The consideration of an ordinance to dissolve the Taxicab Advisory Board.

The City Council Boards & Commissions Committee met and determined that the Taxicab Advisory Board is no longer necessary and should be dissolved.

The Taxicab Advisory Board was created by the Taxicab Ordinance and has never been constituted or appointed. The taxi affairs are being dealt with through staff level meetings with the providers. Where difficulties remain, the City Council Revenue and Finance Committee is acting as the final advisory group. The board is not needed in order to continue the business of the taxicab ordinance.

This action conforms with the Strategic Operating Plan in the Community Building area. Goal #1 - efficient and effective City Council procedures

Pros:

- Will eliminate a board that has no remaining function.

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Cons:

- Possible perception the process for review may lack impartiality.

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The City Council Boards & Commissions Committee recommends City Council adopt an ordinance to dissolve the Taxicab Advisory Board.

ORDINANCE BOOK NO. 23 – PAGE 1

F. ORDINANCE NO. 3366 - BUDGET AMENDMENT TO AUTHORIZE USE OF N.C. STATE DRUG SEIZURE FUNDS

Summary: The consideration of a budget amendment, in the amount of \$66,290, to authorize the use of North Carolina State Drug Seizure Funds to fund training improvements for the Asheville Police Department.

The North Carolina State Drug Seizure Program is an equitable sharing program which divides the illegal proceeds from drug dealing between the North Carolina State government and local law enforcement agencies. It is designed to help off-set the considerable cost of drug enforcement by allowing local law enforcement agencies to use seized monies for equipment, training, and improvements that might not necessarily be budgeted for by the agency. The illegal proceeds are divided with 25% going to the North Carolina Department of Revenue and 75% going to the local law enforcement agency initiating the seizure.

To date, the City of Asheville Police Department has received \$66,290 in North Carolina State drug seizure funding. This amendment will authorize the use of that funding to make critical improvements at the APD firearms range. These improvements include modifications to create a 100 yard firing range, paved access road, paved parking area, and operable restroom facilities. These improvements will enhance all APD officers firearms proficiency and overall officer safety training. This range is used monthly by the Drug Suppression Unit / Emergency Response Team for firearms training.

This action conforms to the City Council's Strategic Operating Plan under Partnerships to Improve Critical Services and Infrastructure. Goal 2, Objective A: Research and develop strategies for securing significant new recurring revenue sources.

Pro:

- North Carolina State drug seizure revenue used to fund improvements to the APD firearms range at no cost to city taxpayers.

Con:

- None noted.

City staff recommends City Council adopt the budget amendment, in the amount of \$66,290, to authorize the use of North Carolina State Drug Seizure Funds to fund improvements to the Asheville Police Department firearms range.

ORDINANCE BOOK NO. 23 – PAGE 2

G. RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE FOURTH OF JULY CELEBRATION ON JULY 4, 2006

RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE BLUE RIDGE CLASSIC LACROSSE TOURNAMENT ON JULY 29, 2006

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RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE LEXINGTON AVENUE ARTS & FUN FESTIVAL ON SEPTEMBER 10, 2006

These items were removed from the Consent Agenda for individual votes.

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

Councilwoman Cape moved for the adoption of the Consent Agenda. This motion was seconded by Councilman Davis and carried unanimously.

ITEMS REMOVED FROM THE CONSENT AGENDA FOR AN INDIVIDUAL VOTE

RESOLUTION NO. 06-114 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE FOURTH OF JULY CELEBRATION ON JULY 4, 2006

RESOLUTION NO. 06-115 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE BLUE RIDGE CLASSIC LACROSSE TOURNAMENT ON JULY 29, 2006

RESOLUTION NO. 06-116 - RESOLUTION MAKING PROVISIONS FOR THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE LEXINGTON AVENUE ARTS & FUN FESTIVAL ON SEPTEMBER 10, 2006

Summary: The consideration of resolutions making provisions for the possession and consumption of malt beverages and/or unfortified wine at the following 2006 Special Events: (1) The Fourth of July Celebration on July 4, 2006; (2) The Blue Ridge Classic Lacrosse Tournament on July 29, 2006; and (3) The Lexington Avenue Arts & Fun Festival on September 10, 2006.

The below listed group has requested through the Asheville Parks and Recreation Department that City Council permit them to serve beer and/or unfortified wine at their event and allow for consumption at this event.

- Asheville Parks and Recreation produces the 4th of July Celebration and Fireworks spectacular as a community celebration and to attract visitors to the downtown area. This event will be held in Pack Square and along College Street, due to the Pack Square Conservancy construction project.
- The Blue Ridge Classic Lacrosse Tournament on July 29, 2006, in the designated area at the end of Azalea Park Field #4.
- The Lexington Avenue Arts and Fun Festival on Lexington Avenue on September 20, 2006.

The Asheville Parks and Recreation Department recommends City Council adopt the resolutions making provisions for the possession and consumption of malt beverages and/or unfortified wine at the following 2006 Special Events: (1) The Fourth of July Celebration on July 4, 2006; (2) The Blue Ridge Classic Lacrosse Tournament on July 29, 2006; and (3) The Lexington Avenue Arts & Fun Festival on September 10, 2006.

Councilman Newman moved for the adoption of Resolution Nos. 06-114, 06-115, and 06-116. This motion was seconded by Vice-Mayor Jones and carried on a 6-1 vote, with Mayor Bellamy voting "no."

RESOLUTION NO. 06-114 - RESOLUTION BOOK NO. 30 – PAGE 35
RESOLUTION NO. 06-115 - RESOLUTION BOOK NO. 30 – PAGE 37
RESOLUTION NO. 06-116 - RESOLUTION BOOK NO. 30 – PAGE 40

III. PUBLIC HEARINGS:

A. PUBLIC HEARING TO RECEIVE INPUT ON THE FISCAL YEAR 2006-07 ANNUAL OPERATING BUDGET

Mayor Bellamy opened the public hearing at 5:12 p.m.

Chief Financial Officer Ben Durant said that this public hearing is to receive input on the Fiscal Year 2006-07 Annual Operating Budget. This public hearing was advertised on June 2 and 9, 2006.

After a series of worksessions on the Fiscal Year 2006-07 Annual Operating Budget, the City Manager presented the budget to City Council on May 23, 2006. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the budget along with a notice of the public hearing was published on June 2 and 9, 2006. Adoption of the budget ordinance is scheduled for June 27, 2006, at the City Council meeting.

The Fiscal Year 2006-07 Annual Operating Budget is balanced with an Ad Valorem tax rate of \$0.41 per \$100 of assessed value. All essential City services are maintained.

A copy of the budget is available for public inspection in the City Clerk's Office. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, the budget may be changed by City Council in any way before adoption. It may also be changed by budget amendment after adoption with the only exception being the Ad Valorem Tax rate, which cannot be changed once adopted.

City staff recommends City Council conduct the public hearing on the City of Asheville Fiscal Year 2006-07 Annual Operating budget and include public input in considerations on the budget.

Mr. Fred English, Haw Creek resident, expressed concerns over the 90-day trial free bus period. He also felt it wasn't fair to have people who are trying to make a living to charge them more for parking.

Mr. Jeff Slosman, speaking on behalf of the Manufacturers Executive Association, said that the manufacturing sector has felt a tremendous burden due to the stormwater utility tax in the past year. He urged Council to be cautious before putting more burden on our area industries, especially regarding water and the privilege tax. Increasing the cost for water for large users would have an immediate repercussion on jobs in the area. We already pay more for water than other cities in the state and in the region. Higher costs might result in additional job losses for the area. He felt it was imperative that we keep the differential structure that is currently in place and not go to a flat rate structure. Regarding the CIP, manufacturers are willing to pay their fair share, but not a disproportionate fair share, since 90% of the water users are residential and 8% of the remaining 10% are manufacturers. The unbalanced fee structure will result in employers not be able to give wage increases to our employees or donations to the area's non-profits. Regarding the privilege licenses, to remove the cap totally would have an unfair disadvantage to the larger

businesses and manufacturers in the area. He urged Council to not place any more taxes on manufacturers because there may be potential job losses in the manufacturing sector in the Asheville area.

Mr. Hartley Eastwood, representing a group from Deerwood, was not opposed to paying their fair share to repair the water system, but was concerned about the water meter charge for the capital improvement plan. He said that Deerwood has 100 residential units. The plan for a residential one-inch meter would be \$3.50 a month and a 6-inch meter is \$9.90 a month. Deerwood has a 6-inch water meter and they share a water bill for assessments. Beyond the water meter is the homeowner's responsibility. He feels they are being charged an unfair share and asked for Council to reconsider charging them for the 6-inch meter, when they are in fact residential homes.

Ms. Robin Stickney, United Way Community Services Director, urged City Council to fund the 211 Call Center in that almost half of the 60,000 calls last year were from City residents.

Mr. Mac Cox, President of Crowfields Association, said that Crowfields contains 192 homeowners and expressed the same concerns as the homeowners from Deerwood.

Mayor Bellamy closed the public hearing at 5:29 p.m.

City Manager Jackson said that he would provide Council with background information on these budget concerns at the June 20, 2006, budget worksession.

Mayor Bellamy said that City Council will be holding another budget worksession on June 20 and then Council will consider adoption of the Fiscal Year 2006-07 Annual Operating Budget at their June 27, 2006, formal meeting.

B. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE REGARDING THE MINIMUM LOT WIDTH FOR CUL-DE-SAC LOTS

ORDINANCE NO. 3367 - ORDINANCE AMENDING THE UNIFIED DEVELOPMENT ORDINANCE REGARDING THE MINIMUM LOT WIDTH FOR CUL-DE-SAC LOTS

Mayor Bellamy opened the public hearing at 5:30 p.m.

Urban Planner Julia Cogburn said that this is the consideration of an ordinance amending the Unified Development Ordinance for the purpose of clarifying the standards concerning the required lot width for lots on cul-de-sacs. This public hearing was advertised on June 2 and 9, 2006.

The current regulations contained in the Code of Ordinances of the City of Asheville concerning the lot width for residential lots on cul-de-sac lots read literally that such lot width shall be twenty-five (25) feet at the front setback line (interpreted as a typographical error meant to be the property line) and an average of the required lot width over the entirety of the lot. The staff has long considered this standard as difficult to administer. The staff previously went through the process of amending this standard in conjunction with a number of other ordinance amendments. In the process of approving the numerous amendments made over the course of a few months, an accidental reinsertion of this problematic regulation occurred. This wording amendment simply corrects the clerical and drafting mistakes and creates a regulation concerning lot width on residential cul-de-sacs that is easily applied and appropriate for such development. The standard

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is that such lots must be a minimum of twenty-five (25) feet at the front property line and eighty (80%) percent of the required lot width at the front setback line.

The amendment has been routed to CAN, CREIA, and CIBO for review and comment.

Considerations:

- .. This amendment provides for a simpler mechanism for determining lot width on cul-de-sacs without jeopardizing the need for such lots to be similar in size, etc. with other lots in the same zoning district.
- .. This amendment corrects clerical and drafting mistakes previously made concerning such regulations.

The Asheville Planning and Zoning Commission recommended approval of this code amendment on May 3, 2006, by a unanimous vote of 5-0. Staff recommends approval.

City staff recommends City Council approve the amendment to the Unified Development Ordinance for the purpose of clarifying the standards concerning the required lot width for lots on cul-de-sacs.

Mayor Bellamy closed the public hearing at 5:31 p.m.

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

Councilwoman Cape moved for the adoption of Ordinance No. 3367. This motion was seconded by Vice-Mayor Jones and carried unanimously.

C. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE TO ALLOW “REPAIR AND SERVICE BUSINESSES” AS A PERMITTED USE IN THE INDUSTRIAL DISTRICT

ORDINANCE NO. 3368 - ORDINANCE AMENDING THE UNIFIED DEVELOPMENT ORDINANCE TO ALLOW “REPAIR AND SERVICE BUSINESSES” AS A PERMITTED USE IN THE INDUSTRIAL DISTRICT

Mayor Bellamy opened the public hearing at 5:32 p.m.

Urban Planner Julia Cogburn said that this is the consideration of an ordinance amending the Unified Development Ordinance to allow “repair and service businesses” as a permitted use in the Industrial District. This public hearing was advertised on June 2 and 9, 2006.

The City of Asheville’s Unified Development Ordinance does not currently permit “repair and service businesses” in the Industrial District. Such uses are allowed in the Commercial Industrial and River Districts. They are also allowed in the Community Business I, Community Business II, Highway Business, Regional Business, and Central Business Districts as uses by right subject to special requirements (restricted as to what may be repaired and whether outdoor operations or storage are permitted). Repair and service businesses are establishments primarily engaged in services (often including repair) to individuals, households or businesses. Examples would include: carpet cleaners; appliance repair; shoe repair; and electronic repair services. Heavy equipment and automobile repair are separately listed in the current ordinance and, therefore, would not be included in this classification.

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This ordinance simply adds “repair and service businesses” to the list of permitted uses in the Industrial District.

The amendment has been routed to CAN, CREIA, and CIBO for review and comment.

Considerations:

- .. This amendment allows for “repair and service businesses” to be developed in Industrial Districts which seems an appropriate area for such operations.
- .. This amendment opens up additional areas where such businesses may operate without numerous limitations on operation.
- .. This amendment may be seen to deplete the available industrial sites in our community for use for non-industrial purposes.

The Asheville Planning and Zoning Commission recommended approval of this code amendment on May 3, 2006, by a unanimous vote of 5-0. Staff recommends approval as well.

City staff recommends City Council approve the amendment to the Unified Development Ordinance to allow repair and service businesses as a permitted use in the Industrial District.

Mayor Bellamy closed the public hearing at 5:32 p.m.

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

Councilman Mumpower moved for the adoption of Ordinance No. 3368. This motion was seconded by Vice-Mayor Jones and carried unanimously.

IV. UNFINISHED BUSINESS:

V. NEW BUSINESS:

A. QUALSERVE PRESENTATION

Mayor Bellamy was pleased to present the QualServe Peer Review plaque to the Water Resources Department. This plaque was presented to the City of Asheville by the American Water Works Association (AWWA). She then recognized Water Resource Department employees David Hanks, Mike Brookshire, Ron Kerns, Carroll Woody and Leslie Carreiro.

Water Resources Director David Hanks gave a brief update of the 2005-06 water utility improvements: (1) Asset Management Excellence; (2) Environmental Management Standards (ISO); (3) computerized management system; (4) Capital Improvement Program; and (5) excellent peer review by QualServe.

Mr. Hanks then explained the a peer review is an objective set of external eyes by experienced utility professionals who take a high level look at the organization and make recommendations to senior utility management. The QualServe Peer Review was conducted by: Tom Clark, Round Rock, Texas; David Dawson, Abingdon, Virginia; Ron Thomas, Harlingen, Texas; Jim Miller, Anniston, Alabama, and Angela Lafferty, AWWA, Denver, Colorado.

He then shared the highlights of the strength findings: excellent water quality; formal education program is in place; committed to continuous improvement; safety policies are in effect and enforced and safety meetings occur on a regular basis; equipment is provided, personnel are

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trained on its use and most important, employees use it; all facilities have an Emergency Response Plan in place; capital improvement needs have been identified; utility has debt capacity; construction crew – neighborhood projects; effective customer service (a) external customers are well served; and (b) an understanding of the importance of the water utility mission; Water Resources (a) dedicated staff; (b) certification/recognition of excellence; and (c) Asset Management Program; and continuous improvement (a) commitment/participation programs; (b) culture of continuous improvement; (c) support within business and commercial community; and (d) ISO 14001-2004 Certified – Environmental Management System.

He then shared the highlights of the opportunities findings: develop plan to locate all utility functions at a single central location; new employee orientation should include tours to all work sites to increase appreciation of fellow employee working hardships; a formal executive development program for senior staff should be implemented throughout the City; alternative financing options such as leasing and special assessments; ensure that talented staff will choose to make careers here; and fund major capital improvements.

B. CIVIC CENTER ECONOMIC IMPACT REPORT

Councilman Davis, Chair of the Civic Center Task Force, said that the economic impact study of the Civic Center on the local economy has been completed and is being presented to City Council for consideration. He thanked the Dr. Ha, the Civic Center Task Force members, Ms. Sasha Vrtunski and Mr. David Pisha for their hard work in reaching this point.

Ms. Sasha Vrtunski said that the Civic Center Task Force, created by City Council, recommended that the City carry out an economic impact study that would measure the impact of the Civic Center on the local economy. City Council funded the study, and it has been completed. Western Carolina University Professor of Economics Steve Ha conducted the study to estimate the economic impact of the Asheville Civic Center on the economy of Asheville and Buncombe County.

The study found that visitor spending related to the Asheville Civic Center is estimated to be over \$19 million. Adding in the direct and indirect effects of the expenditures by the Civic Center, the total impact on the local economy is over \$22 million. Measuring the impact in jobs, the Civic Center creates 295 direct jobs and 73 indirect jobs for a total of 368 jobs in the local economy. The study also breaks down the impacts in both dollars and jobs for each of the Civic Center venues (arena, auditorium, exhibit hall, banquet hall).

In addition to the impact on the local economy, a fiscal impact study of the Civic Center was carried out. It was found that the Civic Center generated \$1.8 million in state and local taxes, and another \$2.4 million in federal taxes, for a total of \$4.2 million in taxes.

Advantages:

- The economic impact study reveals new information about the Civic Center's impact on our local economy.
- The Civic Center is generating over \$22 million a year in local spending, creating approximately 368 jobs (directly and indirectly).

Disadvantages:

- None noted.

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She said that this report is for informational only and for City Council use when considering the merits of future investment in the existing or new structures/programs of the Asheville Civic Center.

Dr. Inhyuck "Steve" Ha said that the purpose of the study was (1) to estimate the economic and fiscal impacts of the Asheville Civic Center on the economy of Buncombe County, N.C.; and (2) to examine the characteristics of the events (event length and type) and visitor profile, such as visitor volumes, and the residential origins of its visitors.

Key findings included: (1) the Civic Center is currently operating at a deficit of about \$400,000 a year, but generates ten times more in visitor spending dollars than it costs to operate the Civic Center (\$19 Million in money generated vs. \$1.9 Million in operating expenditures); (2) events at the Civic Center range from one to more than five days in length and combined attract over 211,000 attendees a year; (3) overall in terms of payroll expenditures, other expenditures, and visitor spending, the Civic Center contributes more than \$22 Million a year; (4) in terms of jobs, the Civic Center creates a total of 368 jobs in the local economy; and (5) in addition to the economic impact of the Civic Center, it also generates over \$4 Million a year in federal, state and local taxes.

Dr. Ha then explained, using a map, Civic Center ticket sales by state. He then reviewed with Council a map showing ticket sales by North Carolina counties. Using charts, Dr. Ha showed the distribution of revenues and expenditures from the Civic Center over a three year average. He then showed a distribution chart of visitors by venue of the Auditorium, Banquet Hall, Exhibition Hall and Arena. Following that, he reviewed with Council the ticket sales from the box office, phone sales, internet sales and outlet sales.

Using tables from the IMPLAN analysis, Dr. Ha showed Council the economic impacts of the Civic Center and then by venue use. He reviewed the expenditures of visitors at the Civic Center and the fiscal impact of the Civic Center.

Dr. Ha presented council with three recommendations: (1) The Civic Center is making a significant amount of financial contribution to the Asheville-Buncombe economy. Due to its influence beyond Buncombe County, the Center is attracting revenues from outside the County; (2) a comprehensive survey needs to be conducted over a full 12-month period given the seasonal fluctuations of the type of events and length of events held. A survey of less than a year would not accurately portray spending behavior related to the Civic Center; and (3) the Civic Center could install a tracking system to consistently gather information about the characteristics of people attending events at the Civic Center.

In summary, Dr. Ha said that the study estimated Civic Center revenues and expenditures, event length and type, visitor volumes, and the residential origins of its visitors. The study also considered the direct and secondary economic and fiscal impact on the local economy and jobs generated as a result of the Civic Center.

The study's principal investigator found the Center is currently operating at a deficit of about \$400,000 a year, but generates ten times more in visitor spending dollars than it costs to operate the Center (\$19 Million in money generated vs. \$1.9 Million in operating expenditures). Events at the Civic Center range from one to more than five days in length and combined attract over 211,000 attendees a year. Finally, in addition to the economic impact of the Civic Center, it also generates over \$4 Million a year in federal, state and local taxes.

In terms of payroll expenditures, other expenditures, visitor spending, and taxes, the Civic Center contributes more than \$22 Million a year.

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Even though Dr. Ha was unable to respond to some questions due to the software design, he did respond to various questions and comments from Council, some being, but are not limited to: of the \$4 Million in tax revenue generated, how much does the City get back; in terms of the software, does one finding impact other areas; out of the \$22 Million impact, what are the proportions for inside the City, Buncombe County, and statewide; is the information based on the present day on the conservation side; is there a way to find out if the overnight visitors' destination was the Civic Center; what is the average salary of the 11 full-time employees; how was the dollar amount for the overnight visitor determined; and, has the IMPLAN tool been used in other communities to obtain a history of its use.

Councilman Newman wondered if there was a way to determine if the City had been investing money into the Civic Center annually if we would have a higher operating deficit, or if the well-maintained facility would be drawing more people.

Councilman Mumpower understands that without the visitor tracking, we have a suspect study. He said there is no question that there is secondary economic impact from the Civic Center, but Dr. Ha's ability to be thorough was hampered based on limited statistical data.

Mr. Dennis Justice suggested other variables to determine the economic impact of the Civic Center.

It was the consensus of City Council to accept this report.

C. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH CONVENTIONAL WISDOM TO DEVELOP A COST ANALYSIS FOR REFURBISHING AND UPGRADING THE CURRENT CIVIC CENTER FACILITY

Councilman Davis, Chair of the Civic Center Task Force, said that as a result of the meeting with the state legislators and County Commissioners on Monday, June 12, 2006, at which time they asked the City to look at the Civic Center from a regional approach, he felt it may be appropriate to continue this resolution for a short period of time.

Ms. Sasha Vrtunski said that on May 9, 2006, the Civic Center Task Force presented its report to the Asheville City Council. The report recommended two options for consideration; the first included building a new arena, and the second called for building a new performing arts center next to City Hall. A third option, estimated at approximately \$17 million, was also discussed. This third option would only cover repairs of deferred maintenance items and would not improve service to customers, nor conditions for event performers and producers.

During the May 9 Council meeting, there was a request from members of Council that a "fourth option" be developed. This option consists of refurbishing and upgrading the current facilities so that the Civic Center can continue operations into the future successfully. In pursuit of this option, staff contacted Ian Vingoe, a consultant with Conventional Wisdom, who wrote much of the Heery Report. Mr. Vingoe is intimately familiar with the Civic Center and has the capability to develop realistic and detailed estimates for improvements in a short time frame.

Mr. Vingoe has indicated that the fee for the costs estimates report will be up to \$10,000 plus expenses. There is additional cost if City Council would like him to attend a City Council meeting to discuss the results. Staff is confident that the total cost of these items would not exceed \$20,000. Staff proposes that we use savings in the current Fiscal Year 2005-06 Civic Center budget to fund this \$20,000 expense; therefore, there will be no impact on the Fiscal Year 2006-07 budget.

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Advantages:

- City Council will receive up to date cost estimates for improving the Civic Center, broken out into three milestones (levels of improvement).
- Updated cost estimates will also be useful in evaluating the second option proposed by the Civic Center Task Force (Parkside option), as that option calls for upgrading the Civic Center Arena.

Disadvantages:

- The cost analysis will cost between \$10,000 and \$20,000.

City staff recommends that City Council authorize the City Manger and/or his designee to enter into a contract with Conventional Wisdom, not to exceed a total of \$20,000.

After each Council member voiced their opinions on whether or not to proceed with the study at this time, it was the consensus of Council to defer action on this matter and bring it back to Council on August 8, 2006.

Mayor Bellamy felt that it was important to look at all information from the standpoint of what will serve our community long-term.

D. RESOLUTION NO. 06-117 - RESOLUTION EXPANDING INSPECTION SERVICES INTO THE EXTRATERRITORIAL JURISDICTION AREA

City Attorney Oast said that this is the consideration of a resolution expanding inspection services into the extraterritorial jurisdiction area.

He said that the purpose of this report is to implement Council direction concerning issues and opportunities for managing growth in areas immediately proximate to the City limits through the extension of City development review services into the extraterritorial jurisdiction (ETJ).

City Council has directed staff to undertake extension of the full range of development review services into the ETJ. We have advised Buncombe County of this intention and have coordinated transition plans for service extension. The resolution effectuates Council direction in accordance with our service transition discussions with the County. This service extension will apply to the ETJ areas and will include the following services.

- Floodplain management
- Stormwater management
- Erosion control
- Street address services
- State Building Code
- Minimum housing code

City staff recommends City Council adopt the resolution extending the City's full range of development review services into the ETJ.

At the request of Vice-Mayor Jones, it was the consensus of Council to instruct the Mayor to write a letter to the Chairman of the Buncombe County Commissioners asking for enforcement authority for nuisance abatement in the extraterritorial jurisdiction area.

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When Councilman Freeborn asked if there would be any financial impact to our General Fund, City Manager Jackson explained how the revenue will exceed expenditures by approximately \$150,000.

In response to Councilman Davis, Building Safety Director Robert Griffin felt that the City can provide those services as efficiently as they are being done now. Under the current conditions, if someone is building in the ETJ, they go to the County to take out the building permit and then have to come to the City to take out their zoning permits. Whereas, once the ETJ is governing by the City for all building activities, they only have to make one stop at the permit and development services center.

Mr. Griffin also noted that the City does have a relationship with the Health Department regarding permitting wells and septic tanks. Regarding pricing, Mr. Griffin said that the vast majority of what is in the ETJ are one and two family dwellings. The City's fees and charges and the County's fees and charges for one and two family dwellings, as well as commercial, are virtually the same.

When Councilman Mumpower asked how long it takes to get an average permit in the City vs. in the County, Mr. Griffin did not know what the County's average turn-around time was. However, the City does studies each month on our matrix for issuing permits. He guessed the month of April for some projects were 29 days average time and he believed that was the longest time period for a building permit.

Councilman Mumpower said that it was his understanding that the County averages about 2 weeks.

Councilman Mumpower said that people cannot build substandard housing in North Carolina due to our State Building Codes. He felt it was presumptuous of the City to lay claim to a unique or special ability that is so much better than the County's. We can create urban standards that might be better for us in the long run, but we do that at the expense of controlling people who don't get to vote. He feels that is wrong.

City Attorney Oast said that the City already provides zoning and subdivision regulations in the ETJ except in the areas that the County zones. The building regulations are state-wide codes and all this does is changes who enforcement it.

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

Councilman Freeborn moved for the adoption of Resolution No. 06-117. This motion was seconded by Vice-Mayor Jones and carried on a 6-1 vote, with Councilman Mumpower voting "no".

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VI. OTHER BUSINESS:

A. CLAIMS

The following claims were received by the City of Asheville during the period of May 19-June 1, 2006: Leon Dejournett (Streets), Charlotte Tell (Streets), Grove Arcade (Streets), Arlene K. Schandler (Transit Services), Charles Whitted (Streets) and Amber Prestwood (Civic Center).

These claims have been referred to Asheville Claims Corporation for investigation.

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VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Ms. Kyle Ross asked Council to create an avenue for people to go, without having to hire an attorney, who have a complaint against the Police Department. In addition she would like City Council to have a collective voice and leadership over the Police Department. Mayor Bellamy asked that City staff contact Ms. Ross regarding her concerns.

Mr. Robert Zieber said that on May 23, 2006, he brought to Council's attention the following three issues regarding the installation of 24 speed humps on the public streets of Biltmore Park: (1) the City's Traffic Calming Policy has not been followed; (2) the Biltmore Park Traffic Calming Plan has been misrepresented by the Homeowners Association; and (3) the City will be assuming unknown costs for a project of questionable benefits. He felt that some members of the Homeowners Association Board of Directors have taken control of the petition process by withholding information and abusing their position to lobby and advocate for approval of the project despite a resolution limiting action on this matter. He has had some conversations with City staff regarding this since May 23, unfortunately he was not confident that he will get all his questions answered, so he is bringing this matter back to City Council. Mayor Bellamy clarified the City's traffic calming policy, specifically noting that the role in the petition process is that it is the homeowner's responsibility to get signatures on the petition for traffic calming. Mayor Bellamy asked that City Engineer Cathy Ball talk with Mr. Zieber to make sure that the City is following our guidelines in place.

CLOSED SESSION

At 7:32 p.m., Councilman Mumpower moved to go into closed session for the following reason: 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 litigation involving the following parties: City of Asheville and State of North Carolina. The statutory authorization is contained in G.S. 143-318.11(a)(3). This motion was seconded by Councilman Freeborn and carried unanimously.

At 9:00 p.m., Councilwoman Cape moved to come out of closed session. This motion was seconded by Councilman Freeborn and carried unanimously.

VIII. ADJOURNMENT:

Mayor Bellamy adjourned the meeting at 9:00 p.m.

CITY CLERK

MAYOR