

Tuesday – June 23, 2015 - 5:00 p.m.

Regular Meeting

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

Absent: None

PLEDGE OF ALLEGIANCE

Mayor Manheimer led City Council in the Pledge of Allegiance.

I. PROCLAMATIONS:

A. PROCLAMATION PROCLAIMING JUNE 22-26, 2015, AS "BLUE RIDGE QUARTER PARKWAY WEEK"

Mayor Manheimer read the proclamation proclaiming June 22-26, 2015, as "Blue Ridge Quarter Parkway Week" in the City of Asheville. She presented the proclamation to Ms. Leesa Sutton Brandon, Partnerships & Public Information for the Blue Ridge Parkway, who briefed the Council on some activities taking place during the week.

II. CONSENT AGENDA:

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON JUNE 9, 2015

B. TECHNICAL BUDGET AMENDMENTS

ORDINANCE NO. 4425 - TECHNICAL BUDGET AMENDMENT (1) FROM UNBUDGETED DEGRADATION FEE REVENUE COLLECTED IN THE GENERAL FUND THAT IS DESIGNATED FOR THE RESURFACING PROGRAM AND (2) FROM UNBUDGETED LAND SALE PROCEEDS COLLECTED IN THE GENERAL FUND THAT ARE TO BE DESIGNATED FOR THE CAPITAL IMPROVEMENT PROGRAM

Summary: The consideration of two year-end Fiscal Year (FY) 2015 technical budget amendments: (1) in the amount of \$328,314.33 from unbudgeted Degradation Fee Revenue collected in the General Fund that is designated for the resurfacing program; and (2) in the amount of \$308,249.51 from unbudgeted land sale proceeds collected in the General Fund that are to be designated for the Capital Improvement Program (CIP).

Degradation Fee Revenue

When the City began the Street Cut Program in FY 2011, it included a degradation fee component of the program. This fee allows utilities that are participating in the Street Cut Program to pay a fee instead of overlaying its cut when the road condition is failing (usually below a rating of 60). This fee is calculated by using the Pavement Condition Rating (PCR) and a percent of an estimated overlay cost. Revenue from the degradation fee is set aside to fund the City's resurfacing program. Up until this current fiscal year, the resurfacing program has been budgeted in the General Fund with degradation fee revenue also budgeted and recorded in the General Fund rather than the Street Cut Fund. From the Street Cut Program's inception through

this current fiscal year, the City has collected \$328,314.33 more in degradation fee revenue than has been budgeted. This unspent revenue has been shown as assigned fund balance in the annual audited financial report each year, and therefore not included in the City's unassigned (available) fund balance. The technical budget amendment would appropriate this \$328,314.33 in the General Fund and transfer it to the General Capital Projects Fund where it would be added to the FY 2015 street resurfacing project budget. It should be noted that beginning in FY 2016, degradation fee revenue will be recorded in the Street Cut Fund. This revenue will be utilized as it comes in by the City through the Public Works Department to execute smaller paving contracts outside the main resurfacing contract.

Land Sale Revenue

During FY2013, the City began designating land sale revenue to directly support the City's Capital Improvement Program (CIP). As the City has sold land over the last few years, proceeds from the sales have been recorded in the General Fund with the plan of eventually transferring the revenue over to the General Capital Projects Fund to support the CIP. Like degradation fee revenue, land sale proceeds have been shown as assigned fund balance in the annual audited financial report each year, and therefore not included in the City's unassigned (available) fund balance. To date, the City has collected \$308,249.51 in land sale revenue. The technical budget amendment would appropriate this \$308,249.51 in the General Fund and then transfer it to the General Capital Projects Fund.

Pros:

- Provides additional budget authorization for the FY 2015 resurfacing project.
- Reduces the amount of funds that staff must track and reported as assigned in the City's Comprehensive Annual Financial Report (CAFR).

Con:

- None.

As noted above, both degradation fee revenue and land sale revenue were recorded in the assigned portion of General Fund fund balance in the FY2014 CAFR. Therefore, this budget amendment will have no impact on the City's General Fund unassigned fund balance.

Staff recommends City Council approve the following technical budget amendments: (1) in the amount of \$328,314.33 from unbudgeted Degradation Fee Revenue collected in the General Fund that is designated for the resurfacing program; and (2) in the amount of \$308,249.51 from unbudgeted land sale proceeds collected in the General Fund that are to be designated for the Capital Improvement Program.

ORDINANCE BOOK NO. 30 - PAGE 26

C. ORDINANCE NO. 4426 - BUDGET AMENDMENT IN THE WATER RESOURCES FUND TO BUDGET THE REFUNDING OF THE SERIES 2005 AND 2007 WATER REVENUE BONDS

Summary: The consideration by City Council of a technical budget amendment in the Water Resources Fund in the amount of \$57,002,939 to budget the refunding of the Series 2005 and Series 2007 Water Revenue Bonds.

On June 11, the City closed on the 2015 Water System Revenue Refunding Bond (Green Bonds) transaction. The financing generated \$57,002,939 in bond proceeds which are being used to refinance the Series 2005 and Series 2007 Water Revenue Bonds. The financing was completed at an All-in True Interest Cost (TIC) rate of 2.702% with a final maturity in Fiscal Year (FY) 2033. The refunding generated total cash flow savings (new debt service, including all costs compared to the old debt service) of approximately \$8,240,000 through 2033.

The FY 2014-15 Water Resources Fund budget did not include appropriations reflecting this refunding transaction. This technical amendment incorporates into the budget the refunding and the costs of execution and delivery.

Pro:

- Amends the FY 2014-15 budget to provide sufficient budget authorization to record the 2015 Water System Revenue Refunding Bond (Green Bonds) transaction.

Con:

- None.

As noted above, the refunding generated total cash flow savings (new debt service, including all costs compared to the old debt service) of approximately \$8,240,000 through Fiscal Year 2033.

Staff recommends Council approve the technical budget amendment in the Water Resources Fund in the amount of \$57,002,939 to budget the refunding of the Series 2005 and Series 2007 Water Revenue Bonds.

ORDINANCE BOOK NO. 30 - PAGE 28

D. RESOLUTION NO. 15-133 - RESOLUTION ADOPTING A POLICY TO PREQUALIFICATION OF BIDDERS FOR CONSTRUCTION PROJECTS

Summary: The consideration of a resolution to adopt a prequalification policy applicable to particular construction or repair projects and first tier subcontractors on construction manager at risk projects.

In 2014, the North Carolina General Assembly adopted Session Law 2014-42, which amended NCGS §143-135.8 and NCGS §143-128.1, regarding prequalification of construction contractors and Construction Manager at Risk projects. The statutory amendments provide general authorization to local governments to prequalify contractors for construction or repair projects that are bid under the single-prime, separate-prime (multi-prime), or dual bidding methods as well as the first tier subcontractors on Construction Manager at Risk projects.

Prequalification is defined under the amended N.C.G.S. 143-135.8(f)(2) as “a process of evaluating and determining whether potential bidders have the skill, judgment, integrity, sufficient financial resources and ability necessary to the faithful performance of a contract for construction or repair work.”

In order to prequalify bidders, City Council must adopt an objective prequalification policy prior to the advertisement of the contract for which the City intends to prequalify bidders.

The Prequalification Policy was prepared by the City's Purchasing Division and Legal Department, borrowing language from the State of North Carolina and other North Carolina local government prequalification policies. All affected City Departments have reviewed the Prequalification Policy.

Pros:

- Policy enables the City to prequalify bidders for certain construction/repair projects.
- Provides for uniformity, consistency and transparency.
- Ability to identify contractors with proven performance before the bid process is started, particularly on large projects and projects that require specialized skills or are fast-tracked.

Con:

- None

Staff recommends City Council adopt a resolution adopting the prequalification policy.

RESOLUTION BOOK NO. 37 - PAGE 188

E. RESOLUTION NO. 15-134 - RESOLUTION AMENDING THE COMPOSITION OF THE CITIZENS-POLICE ADVISORY COMMITTEE BY CONVERTING THE ASHEVILLE POLICE OFFICER - SERGEANT IN COMMUNITY RELATIONS MEMBER POSITION FROM A VOTING MEMBER TO A NON-VOTING MEMBER

Summary: The consideration of a resolution amending the composition of the Citizen-Police Advisory Committee (CPAC) by converting the Asheville Police Officer – Sergeant in Community Relations member position from a voting member to a non-voting member.

In 1989, a Citizen-Police Advisory Committee was appointed by City Council in an ad-hoc capacity to study the relationship between the community as a whole, the African American community in particular, and the Police Department. Following its initial ad-hoc work and submission of a final report that recommended the appointment of a permanent CPAC, Council adopted Resolution No. 91-67 which created CPAC as an on-going committee. The composition of voting members currently include the following:

- Five community representatives from the North, East, South, West and Central portions of Asheville;
- Asheville-Buncombe Community Relations Council Chair;
- Asheville Police Officer – Sergeant in Community Relations or designee;
- Asheville Housing Authority Chair or designee; and
- Two ad hoc members appointed on a temporary basis in response to specific problems, incidents or events.

Non-voting members include the following:

- City Council member; and
- Asheville Chief of Police.

In reviewing the composition of the Commission, the City Manager's Office identified the voting status of the Asheville Police Officer – Sergeant in Community Relations on CPAC as a priority to address. The input and counsel provided by a member of the Asheville Police Department is important to CPAC – and can be provided more effectively in a non-voting capacity similar to the Chief of Police position.

The Boards and Commissions Committee reviewed this item at their June 9 meeting and recommended approval.

Pro:

- Enhances the integrity of the process by providing CPAC with the resource of a sworn member of the Police Department.

Con:

- None identified

City staff recommends City Council adopt a resolution amending the composition of the Citizen Police Advisory Committee by converting the Police Officer – Sergeant in Community Relations member position into a non-voting member.

RESOLUTION BOOK NO. 37 - PAGE 195

F. RESOLUTION NO. 15-135 - RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AN ADOPT-A-PARK AGREEMENT WITH JUST FOLKS FOR A WAIVER OF PARK USE AND SPECIAL EVENTS PERMIT FEES FOR TRIANGLE PARK FOR FISCAL YEAR 2015-16

Summary: The consideration of a resolution authorizing the City Manager to sign an Adopt-a-Park Agreement with Just Folks to include a waiver of park use and permit fees for Triangle Park for FY 2015-2016.

Just Folks is a local non-profit organization whose primary purpose is to support community-building activities in the Eagle/Market Street area known as “The Block”. On June 26, 2012, City Council approved a resolution authorizing the City Manager to sign an Adopt-a-Park Agreement with Just Folks that included a waiver of park use fees of up to \$2,500 at the reduced rate provided for local non-profits. The waiver has made it possible for them to produce events that activate Triangle Park by providing a variety of positive activities including music festivals, community cookouts and other community-building events in the Park May to December on Saturdays and Sundays. These events have contributed to more positive use of the area and resulted in the park being used by a more diverse group of city residents and visitors.

Since May 2014, Just Folks has expanded the activities included in their events so that they require tents and food preparation in the park. This in turn has made additional permit fees for tent use and operational fire permits necessary. The City Legal Department and the Special Events/Economic Development Specialist recommended amending the original agreement to include permit fees in order to make it possible for Just Folks to produce their events as planned for this fiscal year. The additional permitting fees were minimal and could be covered by the original fee waiver amount of \$2,500. Council approved the amended agreement on October 14, 2014.

The presence of Just Folks members and their programming in the park continues to contribute to the reduction of nuisance behaviors in and around the park and an improved appearance for the park. Over the past four (4) years their efforts have made the park safer and more attractive to downtown visitors and community members and helped the city meet specific City Council goals for economic and community development. The group was also instrumental in the installation of a mural commemorating the contributions of African American businesses, residents and professionals to the success of “The Block”, thereby creating a visual record of the historic nature of the area and a sense of place to help preserve the legacy of the once thriving community that existed in this location.

Pros:

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

Con:

- The reduction in park use and permit fees result in lost revenue for the city; however, the city has not budgeted for this revenue in FY 2015-2016.

The estimated value of the waived park usage plus the permit fees is \$2,500; however, this revenue has not been included in the FY 2015-2016 budget.

Staff recommends that City Council authorize the City Manager to sign the Adopt-a-Park Agreement with Just Folks including a fee waiver for park usage and permit fees associated with programming in Triangle Park.

RESOLUTION BOOK NO. 37 - PAGE 196

G. RESOLUTION NO. 15-136 - RESOLUTION AUTHORIZING THE CITY MANAGER ENTER INTO A PROFESSIONAL SERVICES CONTRACT WITH JOHN DAVENPORT ENGINEERING INC. FOR THE REDESIGN OF LIVINGSTON STREET AND A PORTION OF DEPOT STREET INTO A COMPLETE STREET FOR CONSTRUCTION AS ONE OF THE CITY'S TIGER VI-FUNDED PROJECTS

Summary: The consideration of a resolution authorizing the City Manager to enter into a professional services contract with John Davenport Engineering, Inc., dba Davenport, for the redesign of Livingston Street and a portion of Depot Street into a complete street for construction as one of the city's TIGER VI-funded projects.

This agreement is for the design, construction documents, and environmental review stages of a project to improve Livingston Street and a portion of Depot Street from approximately 372 Depot Street to Victoria Road. This multimodal transportation project is envisioned in the TIGER II-funded East of the Riverway Connections plan, and construction is one of the city's TIGER VI projects. The project includes improving the corridor for pedestrians, bicyclists, and transit users while cycle use while maintaining functionality for motorized vehicles.

The City issued a Request for Qualifications (RFQ) for Engineering and Design Services for construction documents, including plans, specifications and estimates for complete street improvements, which included providing required environmental documents, in April 2015. The RFQ closed on April 30, 2015. Nine proposals were received from the following firms:

1. Michael Baker International, Asheville, NC
2. Davenport, Asheville
3. The Jaeger Company, Gainesville, GA
4. Mattern & Craig, Asheville, NC
5. Ramey Kemp & Associates, Raleigh, NC
6. Stewart, Inc., Raleigh, NC
7. JM Teague Traffic Engineering, Inc., Waynesville, NC
8. Vaughn & Melton Consulting Engineers, Asheville, NC
9. Wetherill Engineering, Raleigh, NC

The evaluation committee recommended Davenport as the firm to provide the services for this project. The firms were evaluated based on their qualifications, relevant experience, and technical expertise. Scope and cost were successfully negotiated with the recommended firm.

The project cost will be \$233,000 and \$17,000 in contingency. This plan will be completed by March 1, 2016, in order to meet TIGER VI grant deadlines.

The evaluation committee consisted of a multi-disciplinary, multi-departmental group of city staff and a member of the community.

Pro:

- This project is the first step to implementing a complete streets project that has been identified in the city's TIGER VI grant and the city's capital budget.

Con:

- The total maximum cost of the subject project is \$250,000.

The cost of the design, construction documents, and environmental review for the Livingston Complete Street project will be up to \$250,000. This project is already budgeted in the adopted Capital Improvement Program.

City staff recommends that City Council adopt a resolution authorizing the City Manager to enter into a professional services contract with Davenport to develop the design and construction documents, including plans, specifications and estimates, and to perform the environmental review for the Livingston Complete Streets project for the City of Asheville.

RESOLUTION BOOK NO. 37 - PAGE 197

H. ORDINANCE NO. 4427 - FIRST READING OF AN ORDINANCE GRANTING A NON-EXCLUSIVE FRANCHISE TO EXTENET SYSTEMS INC. FOR INSTALLATION OF TELECOMMUNICATIONS FACILITIES IN THE PUBLIC RIGHT-OF-WAY OF THE CITY OF ASHEVILLE

Summary: The consideration of an ordinance granting a franchise to ExteNet Systems, Inc., pursuant to the City's Telecommunications Ordinance (3056).

The City of Asheville (City) adopted Article III of the Code of Ordinances (the Telecommunications Ordinance) in 2003 to provide for the granting of revocable and non-exclusive franchises to install telecommunications facilities in the City's right-of-way. ExteNet Systems, Inc. wishes to begin operations in Asheville and requires the granting of a franchise agreement under the Telecommunications Ordinance.

Most of the substantive terms applicable to this or any telecommunications franchise are set forth in the Telecommunications Ordinance, and ExteNet Systems, by accepting the franchise, agrees to abide by the provisions of the ordinance. The main issues to be determined in connection with this particular franchise are the fee that the City will receive and the length of the franchise term.

Franchise Fee: In accordance with §4.5-85(a) of the City's Code of Ordinances, the grantee of any franchise shall pay a franchise fee or may provide non-monetary consideration including additional facilities and excess capacity to be reserved for the city's use.

With regard to a franchise fee, the Information Technologies Department determined that a two-tiered fee structure based on density would reflect the value of the right-of-way in high density areas while encouraging the extension of service into under-served and less dense areas. Within the downtown area (defined as Charlotte/South Charlotte Streets on the east; Beaumont/Hilliard Streets on the south; Clingman/Haywood Streets on the west; and I-240 on the north), the rate is proposed to be \$.10 per foot per month for each linear foot of right-of-way used for the installation. Outside of this core area, the rate drops to \$.02 per foot per month. In lieu of an estimated fee of approximately \$2,850/year for the initial installation of 2 ¼ miles of fiber running along S. Tunnel Road, White Pine Ct. and River Hills Road, ExteNet Systems has agreed to provide the City with the exclusive use of 8 strands of fiber. The estimated value of this fiber is approximately \$70,000. ExteNet also has agreed to provide 8 strands of fiber in all subsequent fiber build requests.

Franchise Term: ExteNet Systems has requested a 10-year term, renewable for two 10-year terms, unless either party terminates.

Installation: Pursuant to §4.5-85(d), any installation relative to a franchise in the public rights-of-way must submit a construction plan and receive approval from the City Engineer.

Considerations:

1. This will be the City's third franchise agreement of this type.
2. The City has the obligation to protect and preserve its right-of-way for public use, and the right to expect fair compensation for its use by profit-making enterprises. The compensation that we receive should be fair and equitable, and we may not prefer one provider over another.
3. There is significant public interest in enabling telecommunications providers to provide their service, and especially to enable, or at least not obstruct, provision of such service to less densely populated and underserved areas.

Staff recommends that Council grant a franchise to ExteNet Systems by adoption of the ordinance. Staff is available to assist in determining options relative to the proposed fee schedule and the term. Since this is a franchise ordinance, a second reading of it will be required.

ORDINANCE BOOK NO. 30 - PAGE 30

I. ORDINANCE NO. 4428 - BUDGET AMENDMENT TO COVER COSTS ASSOCIATED WITH THE UNEXPECTED REPAIR NEEDS TO THE EXHIBIT HALL AIR CONDITIONING UNITS AT THE U.S. CELLULAR CENTER

Summary: The consideration of a budget amendment in the amount of \$72,038 in the U.S. Cellular Center Capital Fund utilizing savings in the U.S. Cellular Center Operating Fund to cover costs associated with unexpected repair needs to the Exhibit Hall Air Conditioning units.

The original to the building (1974) air conditioning units designed to cool the Exhibit Level space at the U.S. Cellular Center have experienced a major part failure, resulting in the inability to cool one of the four levels of rentable event space at the facility. After review and consultation from the City's purchasing department, multiple repair companies and suppliers staff determined repair of the AC coils is the best option for the City as compared to replacement of the units as a whole.

Pros:

- Repair to currently non-functional Air Conditioning Unit
- 1 year parts and labor warrantee
- Will allow for space to be cooled during contracted events which the building will be hosting in August & September.

Con:

- \$72,037.46 cost is an unplanned expense

The budget amendment will authorize a project budget in the U.S. Cellular Center Capital Fund in the amount of \$72,038 for the repair work. The funding for the project will come from savings within the U.S. Cellular Center Operating Fund's FY 2014-15 budget.

City staff recommends City Council adopt a budget amendment in the amount of \$72,038 in the U.S. Cellular Center Capital Fund utilizing savings in the U.S. Cellular Center Operating Fund to cover costs associated with unexpected repair needs to the Exhibit Hall Air Conditioning units.

ORDINANCE BOOK NO. 30 - PAGE 54

J. ORDINANCE NO. 4429 - BUDGET AMENDMENT FOR JOB ACCESS AND REVERSE COMMUTE PEDESTRIAN SIGNAL GRANT

Summary: The consideration of a budget amendment in the General Capital Projects Fund in the amount of \$13,063 from General Fund savings to increase city funding for the existing Job Access and Reverse Commute (JARC) pedestrian signal grant.

In 2010, the city successfully applied to the French Broad River Metropolitan Planning Organization (MPO) for Federal Transit Administration (FTA) JARC funding to install pedestrian signals at intersections that connect people to transit and jobs; the intersections are as follows:

- 1) Haywood Road and Louisiana Avenue,
- 2) Clingman Avenue and Hilliard Avenue,
- 3) Choctaw Street and McDowell Road, and
- 4) Biltmore Avenue and Southside/South Charlotte Street.

The project's original plan and cost estimates were based on the traffic engineering and signal work being carried out by the N.C. Dept. of Transportation (NCDOT) and/or its contractors under a reimbursable agreement between NCDOT and the city, but that proved impossible. NCDOT was able to provide signal plans for one of the intersections, Clingman Avenue and Hilliard Avenue. The city subsequently used JARC funding to have the pedestrian signals at that intersection installed by a contractor. The city also proceeded with design for the remaining three signals using the JARC grant, but insufficient funding remained to purchase and install the signals at the three intersections.

Operational savings in the Transportation Planning budget have made funds available to add to the signal project. This additional funding will still leave a gap, but will help, and can serve as match or partial match if additional grant funding is found.

Additionally, a required reimbursable agreement with NCDOT to cover design review and inspections for the signal projects was paid from the Traffic Safety Capital Project, and that expense should be moved to the project in order to better track project costs and grant funds, and to justify the local match.

This proposed budget amendment moves savings from the General Fund Transportation Planning operations budget to the project, and moves the reimbursable agreement expense from Traffic Safety Capital Project to the JARC project.

Pro:

- Allows planned pedestrian safety improvements to continue.

Con:

- The \$13,063 transferred to the project will not be enough to complete all of the signal installations.

This action transfers \$13,063 in General Fund operating savings to the pedestrian signal project, continuing investment in Asheville's pedestrian network. NCDOT will maintain the signals, so there will be no increase in ongoing city costs for maintenance of the signal. The movement of the reimbursable agreement expense from Traffic Safety Capital Project to the JARC project has no net fiscal impact; there is no budget amendment needed for this part of the transaction.

City staff recommends City Council adopt the budget amendment in the General Capital Projects Fund in the amount of \$13,063 from General Fund savings to increase city funding for the existing Job Access and Reverse Commute pedestrian signal grant.

ORDINANCE BOOK NO. 30 - PAGE 56

K. RESOLUTION NO. 15-137 - RESOLUTION AUTHORIZING THE MAYOR TO ACCEPT THE CONVEYANCE OF REAL PROPERTY LOCATED ON LAKEWOOD DRIVE AND CHILES AVENUE FROM BUNCOMBE COUNTY

Summary: The consideration of a resolution authorizing the Mayor to accept the conveyance of real property located on Lakewood Drive and Chiles Avenue (PIN # 9648-93-4502-00000) from Buncombe County.

The City of Asheville maintains Lakewood Park in Kenilworth as a neighborhood park with recreational playground amenities. The real property is currently titled in Buncombe County's name and at this time the County wishes to convey the real property to the City in fee simple.

The parcel was originally acquired by the Board of Tax Supervision through a tax foreclosure in 1937. In the 1980's, the Board of Tax Supervision was dissolved and all properties held by the Board were conveyed to Buncombe County. This property was conveyed to the County, yet the historical use as Lakewood Park continued. At present, the City maintains the playground equipment and bathrooms on the property and will continue to use the property for the public purpose of open space and recreation. The conveyance of this property to the City will correct the ownership issue and all real property rights will vest in the City. The Buncombe County Commission approved this conveyance in their meeting on June 16, 2015.

Pro:

- Corrects ownership issue for Lakewood Park

Con:

- None

City staff recommends that City Council adopt the resolution authorizing the Mayor to accept the conveyance of real property located on Lakewood Drive and Chiles Avenue (PIN # 9648-93-4502-00000) from Buncombe County.

RESOLUTION BOOK NO. 37 - PAGE 198

L. RESOLUTION NO. 15-138 - RESOLUTION AUTHORIZING THE CITY MANAGER EXECUTE A CONTRACT WITH ROGERS GROUP INC. FOR THE FISCAL YEAR 2015 ASPHALT PAVING PROJECT

Summary: The consideration of a resolution authorizing the City Manager to execute a contract in the amount of \$1,784,404.42 plus a contingency of 12% (\$215,595.58) with Rogers Group, Inc. for the project known as Asphalt Paving Improvements – Fiscal Year 2015, City of Asheville Project #CPM-14-15-010, and further authorizing the execution any change orders to said contract which may arise during construction of said project up to the budgeted amount of \$2,000,000.00.

A list of warranted streets was put together to be addressed by this contract. The project was advertised on April 27, 2015, and due to an insufficient number of bids, advertised again on May 28, 2015. Bids were opened on June 4, 2015 with the following results:

Rogers Group, Inc. of Nashville, TN,

\$1,784,404.42

Harrison Construction Company of Asheville, NC \$2,118,546.84.

A 12% contingency (\$215,595.58) has been added to allow payment for any unforeseen costs that typically arise during construction and to do additional street resurfacing. The work produced from this contract would fix a number of roads that are in need of repair.

Pro:

- Will repair approximately 4.47 miles of roadways within the Asheville City limits.

Cons:

- The project will cost the City approximately \$1,784,404.42.
- Project management and contract administration will consume staff time.

The total budget for this project, including contingency, is \$2 million, and is included as part of the Fiscal Year 2014-15 Capital Projects budget.

City staff recommends City Council adopt the resolution awarding the contract to Rogers Group, Inc. and authorizing the City Manager to execute, on behalf of the City of Asheville, a contract in the amount of \$1,784,404.42 PLUS a contingency of 12% (\$215,595.58) with Rogers Group, Inc. for the project known as Asphalt Paving Improvements – Fiscal Year 2015, City of Asheville Project #CPM 14-15-010 and authorize the execution any change orders to said contract which may arise during construction of said project up to the budgeted amount of \$2,000,000.00.

RESOLUTION BOOK NO. 37 - PAGE 199

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

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

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

III. PRESENTATIONS & REPORTS:

A. LEGISLATIVE UPDATE

Mayor Manheimer highlighted Council on some the current bills with potential impact on the City of Asheville budget, specifically noting that one of the biggest issue of sales tax redistribution, which will cause a significant annual loss to Asheville and other Buncombe County municipalities.

IV. PUBLIC HEARINGS:

A. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO A PREVIOUSLY APPROVED CONDITIONAL ZONING FOR PROPERTY LOCATED AT 275 AND 281 HAZEL MILL ROAD TO DEVELOP 113 MULTI-FAMILY UNITS

ORDINANCE NO. 4430 - ORDINANCE AMENDING A PREVIOUSLY APPROVED CONDITIONAL ZONING FOR PROPERTY LOCATED AT 275 AND 281 HAZEL MILL ROAD TO DEVELOP 113 MULTI-FAMILY UNITS

Urban Planner Julia Fields said that this is the consideration of an amendment to a previously approved conditional zoning for property located at 275 and 281 Hazel Mill Road to

develop 113 multi-family units (9 additional units and amenities). This public hearing was advertised on June 12 and 19, 2015.

The project site consists of two parcels [PINs 9638.39-9191 and 6188] located off of Hazel Mill Road, just north of Patton Avenue, with frontage along Clayton Avenue, Hazel Mill Road and Nancy Street. The project proposes a recombination which would result in an overall project area of 6.501 acres. The property slopes gently from west to northeast.

There are two vacant dwellings and several associated structures existing on the parcels which will be removed for this project.

In 2014, the subject property was conditionally zoned to RM-16CZ to allow for a 104-unit apartment complex in 10 buildings. The applicant is still proposing to construct a multi-family development that will consist of ten (10) buildings. The buildings are either two-story (one building) or two/three split configurations (maximum height of 40 feet) and contain a mix of one (36) and two (77) bedroom units for a total of 113 residential units. [The previous mix was 32 one bedroom and 72 two bedroom units]. The developer is still proposing that 10% (now 12 units) of the dwelling units be affordable meeting the City's standards. The remaining units will meet the City's criteria for "workforce" housing. A number of amenities are provided on the property for the benefit of the residents including a dog park, fitness center, community garden, and picnic areas. The buildings will be constructed to meet North Carolina Healthy Built Homes standards. [Amendment proposes to add a fitness center and leasing office to the amenities previously approved].

Access to the site is still proposed via two drive entrances off of Clayton Avenue. It is proposed that Clayton Avenue be widened to accommodate some on-street parking (18 spaces) while allowing for two-way traffic on that street. 188 parking spaces are provided on site. All parking spaces on site will be constructed using pervious pavers. Provisions are made for the parking of 40 bicycles. Sidewalks are provided along both Clayton Avenue and Hazel Mill Road. Both sidewalks are proposed to be 6 feet back of curb. The developer plans to meet the previously approved condition concerning the provision of \$14,000 toward the construction of sidewalks along Hazel Mill Road.

The applicant is still proposing compliant landscaping including: street trees, street buffer, building impact, tree save, and parking lot landscaping. The applicant is proposing 2.53 acres of open space, well above the 1.3 acres of open space required.

The Technical Review Committee (TRC) reviewed this application at their meeting on May 18, 2015, and approved it with conditions. The developer has addressed many of the conditions noted by TRC in the submittal that is before the Asheville City Council.

The Asheville Planning and Zoning Commission reviewed this proposal at a meeting on June 3, 2015. At this meeting the commission voted 5-1 to recommend approval of the conditional zoning to Asheville City Council with conditions as presented (Exhibit B.1). One neighboring property owner spoke at the meeting requesting an evergreen buffer be placed on the eastern boundary of the project site. The applicant has changed the site plan to add in a row of hemlocks on the northeastern property line as was requested at Planning and Zoning Commission by a resident of the area.

City Council will have the final review of the conditional zoning. It will return to the Technical Review Committee for Final TRC review, if approved by Asheville City Council.

The subject parcels are zoned RM-16CZ, with RM-8, Highway Business, Institutional, Office, Resort, and RS-8 zoned properties in the general vicinity. The properties are immediately surrounded by single family homes and townhomes with a large car dealership, offices and a church in close proximity. The proposed development, with a density of approximately 17 units

per acre, is of greater density than is found on the immediately surrounding residential properties, however, the property is within approximately ¼ mile of transit service and within walking distance of a number of service and retail businesses. The developer is still planning to meet the previously approved condition concerning bus passes.

Based on the above findings and the analysis provided in the report and as stated in the recommendation below, staff finds this request to be reasonable.

Considerations:

- Higher density development furthers the goals and objectives of the comprehensive plan.
- The proposed amendment provides housing in an area close to many services.
- The project will be designed to qualify for Healthy Built Homes certification.
- The project proposes 10% affordable units.
- The project adds nine units to a previously approved development.
- Concern has been voiced by surrounding neighbors regarding increased traffic.

Staff recommends approval of the proposed conditional zoning amendment to add nine additional units and amenities to the previously approved project, finding it consistent with City-adopted plans and strategic goals for development.

The Planning and Zoning Commission recommended approval of the conditional zoning amendment request with conditions as presented at their meeting on June 3, 2015.

Mayor Manheimer opened the public hearing at 5:15 p.m.

Mr. Bob Grasso, applicant, explained that their goal is to break ground in mid-September for the approximate year-long project. Regarding the type of hemlocks to be planted, he said that as a landscape architect he understands there will be on-going responsibility for maintenance regarding the treatment of the hemlocks. He explained the uses for the three non-residential units, which include a leasing office and the flexibility for a bike storage unit and fitness center.

Mayor Manheimer closed the public hearing at 5:20 p.m.

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

Councilwoman Wisler moved to approve the conditional zoning amendment request for White Oak Grove Apartments on Hazel Mill and Clayton Roads and find that the request is reasonable, is in the public interest, and is consistent with the Comprehensive Plan and other adopted plans in that: (a) The plans for increased density on this site further City goals promoting higher density residential infill in appropriate areas; and (b) The plan for 10% of the units (one additional proposed with the amendment) to meet the City's affordability standards respects City goals working to address the needs of the community for increased affordable housing. This motion was seconded by Councilman Smith and carried unanimously.

ORDINANCE BOOK NO. 30 – PAGE 58

B. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE TO ADJUST THE SIZE LIMITS OF ACCESSORY APARTMENTS

ORDINANCE NO. 4431 - ORDINANCE AMENDING CHAPTER 7 OF THE CODE OF ORDINANCES TO ADJUST THE SIZE LIMITS OF ACCESSORY APARTMENTS

Urban Planner Vaidila Satvika said that this is the consideration of a wording amendment to revise the current regulations for *Accessory Apartments* to create more useful and appropriate parameters for homeowners that better align with city goals. This presentation is not about short term rentals (STRs) or the City's Homestay rules. STRs and Homestay issues will come before the City Council on August 25, 2015. This public hearing was advertised on June 12 and 19, 2015.

Since we are proposing to adopt Industry standard terminology for *Accessory apartments* in order to call them Accessory Dwelling Units (or ADUs), he referred to them as ADUs throughout this report. He would be using charts and visuals as well.

He explained that ADUs are additional living quarters on single-family lots that are independent of the primary dwelling unit. The separate living spaces are equipped with kitchen and bathroom facilities, and can be either attached or detached from the main residence.

- An *attached* accessory dwelling unit is a part of the primary dwelling but is a separate, complete dwelling unit with its own entrance and exit. These units share the same roof and are within the envelope of the main house.
- A *detached* accessory dwelling unit is separated from the primary dwelling as a stand-alone structure (e.g. granny flat, garage apartment, small cottage).

ADUs provide practical housing options for the elderly, disabled, empty nesters, and young students, and can provide additional rental income for homeowners. ADUs are smaller in size, do not require the extra expense of purchasing land, can be developed by converting existing structures, and do not require the extension of city infrastructure for the additional housing units. ADUs are an inexpensive way for municipalities to increase housing supply, while also increasing the property tax base. As smaller housing units, ADUs are also typically more affordable and thereby provide housing options for low- and moderate-income residents that might otherwise be priced out of the housing market.

ADUs have been a part of Asheville's zoning for at least the last 70 years. The 1948 Zoning Ordinance allowed ADUs in all residential districts without restriction. In fact, there is no record of size limits for ADUs until the adoption of the UDO in 1997. In recent years as the city's housing shortage has become pronounce, there has been renewed discussion about revising the city's ADU rules. The city's Affordable Housing Advisory Committee has been particularly direct in seeking changes to ADU rules—the Committee sought input through an intensive six-months of interviews with non-profits and developers, the results of which are available in the 2014 Affordable Housing Policy Recommendations report. That Committee's seven year goal for affordable housing production, which includes recommendations to ADUs, received Council's unanimous approval last month.

Today, the rules governing ADUs permit them to be no larger than 50% of the primary dwelling and not taller than 40' in height. We propose changes to both the maximum size and to the maximum height. We also propose to have different standards for attached ADUs than for detached ADUs.

He then reviewed the current ordinance to understand what's allowed today.

- 1) The proposed wording amendment would change the permitted size of detached ADUs from a maximum 50% to 70% of the primary dwelling but would cap their maximum size to 800 SF.
- 2) The proposed wording amendment would also change the permitted size of attached ADUs from a maximum 50% to 70% of the primary dwelling but would cap their maximum size to 1000 SF. This is a new concept that the current rules do not address.

A few other considerations:

The wording amendment would allow the provision of lots that were legally established but under today's zoning rules are no longer conforming.

- a. In Asheville there are about 4000 residential single-family use parcels that have some type of dimensional nonconforming that currently preclude them from permitting an ADU. This wording amendment would allow these parcels to permit an ADU as long as they met their setbacks and other requirements.
- b. In addition, existing primary dwellings that are nonconforming would be allowed to permit an ADU within the envelope of the primary structure. This change will allow an older building to permit an ADU within the building in spite of, for example, not meeting a setback developed under recent policy.

Parking: We also propose that parking would be required if required for residential dwellings. There would be no removal of residential parking to accommodate an ADU and ADU parking would not be permitted to be placed in front of the house.

Height: We propose to increase of base height limit to 25' to allow for cathedral ceilings but to limit the maximum height of ADUs to that same height: 25'.

Staff presented the essential concepts of this proposed wording amendment to the Affordable Housing Advisory Committee (AHAC) and to the Coalition of Asheville Neighborhoods (CAN) on 5/7/15. It was referred to at the City Manager's Development Forum on 5/15/14, and then presented to the Planning and Economic Development (PED) and Housing and Community Development (HCD) Committees on 5/19/15. AHAC is strongly in support. CAN expressed concerns about neighborhood impact, in particular in regards to parking and neighborhood context. The proposed amendment addresses both parking and neighborhood context by reducing the maximum building height and setting maximum size limits for ADUs.

This wording amendment complies with the City's Comprehensive Plan by seeking to explore the full range of zoning tools necessary to increase both the supply and compatibility of housing within existing neighborhoods and by identifying infill opportunities and making them readily available. It also complies with the City Council's Strategic Plan by encouraging and incentivizing private investment for the creation of additional in-fill housing.

Staff recommends approval of this proposed amendment because it is consistent with goals outlined in the Comprehensive Plan and City Council Strategic Plan. At their meeting on June 3, 2015, the Planning and Zoning Commission voted 6-1 to recommend approval. The dissenting commissioner was concerned about the maximum building height of 40', which we have reduced to 25'.

In summary, for a city that is facing a housing supply crisis, we believe this wording amendment will give more flexibility to property owners so that more ADUs can be built. And considering that smaller units are typically more affordable, the provision of more ADUs indirectly supports affordable housing. We believe that ADUs are a viable form of neighborhood-scaled subordinate housing units that are a very context-sensitive approach, especially considering that they are located behind homes and dispersed throughout the city.

In response to Councilman Bothwell, Mr. Satvika said the minimum 6 foot setback requirement has not been changed with this amendment. The UDO basically allows for ADUs to encroach into setbacks. As far as the height for detached ADUs, the current ordinance allows for 40 feet (top of ceiling) and staff proposes 25 feet (top of ceiling).

Councilman Bothwell felt that we are discriminating against small property owners. He felt that if a person owns 1,000 square foot home with an 1,000 square foot basement that could be converted into an apartment, he questioned why we are limiting that property owner to 700 square foot apartment. Mr. Satvika said that ADUs have been understood to be subordinate housing units, so we are trying to respect concern that the ADUs may be too big, thus increasing the current maximum size from 50% of the primary dwelling to the proposed 70% of the primary dwelling.

Councilman Bothwell felt there was confusion in the community regarding these changes and suggested the public hearing be held; however, a vote be postponed until after further community engagement.

Councilwoman Wisler agreed with Councilman Bothwell in that there is a lot of misconception about this amendment in the community. She felt there would not be a lot of opposition if the community understood the details, as outlined in Mr. Satvika's presentation.

In response to Councilman Pelly regarding the increase of cars on the street, Mr. Satvika said the amendment proposes that off-street parking would be required if it is required for residential district. The UDO states that for areas within 1 mile of the downtown Central Business District, off-street parking is not required.

At the suggestion of Councilman Smith, Director of Transportation Ken Putnam said that the City is working on the Haywood Road Corridor Parking Study and felt that once that study is completed, we will be able to take any lessons learned and generalize them into other similar neighborhoods.

When Councilman Bothwell asked if there was a way we could assign two parking spaces per house, Mr. Putnam explained that we need to be careful not to breach the idea that we are assigning personal parking spaces within the public right-of-way. He said that we do have a successful program with 150 permitted parking spaces in the Central Business District which is available on a first come/first served basis. He noted that the City is currently working on a comprehensive parking study that, when completed, will provide Council the information on how they would like to set policy in the next 10 years.

Mayor Manheimer opened the public hearing at 5:53 p.m.

The following individuals spoke in support of the amendment:

Ms. Lindsey Simerly, Chair of the Affordable Housing Advisory Committee
Mr. Teal Brown, owner of Wishbone Tiny Homes
Ms. Wendy Dean
Mr. Jayden Gurney, member of the Affordable Housing Advisory Committee
Ms. Laura Lavoy, owner of a tiny house
Ms. Joanne Stephenson, member of the Historic Resources Commission

The following individuals felt the community should be allotted additional time within which to review the details of the proposed ordinance, particularly the parking:

Ms. Barber Melton, member of the Coalition of Asheville Neighborhoods
Mr. Mike Lewis, Grace neighborhood resident
Ms. Billie Laughlin, Five Points neighborhood resident

Mayor Manheimer closed the public hearing at 6:10 p.m.

Mr. Satvika responded to Councilman Davis' concerns regarding the minimum setbacks, using an example of a corner lot.

Councilman Smith thanked the Affordable Housing Advisory Committee for spending more than two years on this issue. The Council has made a priority of more affordable housing and after they received the Housing Needs Assessment Report, Council learned that 47% of the renters in the City are spending more than 30% of their income on their rent. Council has also adopted a 7-year affordable housing goal which the ADU reform was a part. He does understand the anxiety with this ordinance; however, the amendment sets size limits, sets a lower height limit, and parking remains the same as in the current rules. He felt this amendment is a good change. He felt it was important to provide community education regarding this amendment and would support further examination of whether Council wants to increase some of these sizes.

Councilman Smith moved to approve the proposed amendments to Sections 7-14 and 7-16 and associated definitions and table of uses that modify accessory apartments, and (if approving) find that the request is reasonable, is in the public interest, and is consistent with the Comprehensive Plan and other adopted plans in the following ways: (1) by employing zoning tools to increase the supply of housing that is compatible with existing neighborhoods, (2) by providing incentives for infill development throughout the city, and (3) by providing needed residential units while making efficient use of existing housing stock, parcels of land and community infrastructure. This motion was seconded by Councilman Pelly.

Councilman Bothwell supported looking at increasing the minimum size, and if it has to be smaller to be a subsidiary structure, then he suggested 10 square feet less than the primary structure. He said that even though he supported the amendment, he would have to vote against it because he felt the community needed to understand the details prior to voting.

Vice-Mayor Hunt felt there is broad support for this amendment and acknowledged this ordinance is a work in progress. He felt that revisions regarding setbacks and ratios of square footage are adjustments that can be made when the ordinance is revisited in a year or two.

Councilwoman Wisler would support the amendment if the City commits to a community education plan to where staff talks to property owners and let the know how this will affect their neighborhoods. Director of Community and Public Engagement Dawa Hitch acknowledged that would occur.

Mayor Manheimer felt that this is a helpful movement that will add to our community. She agreed with Councilwoman Wisler that the key is communication and suggested Mr. Satvika's PowerPoint be placed on the City's website to help those understand the details.

Councilman Pelly acknowledged the urgency to address the affordable housing needs in our community. He also heard legitimate concerns expressed by the neighborhoods. He was pleased that a comprehensive parking study will be coming forward to help Council make policy decisions regarding parking. Regarding tap fees, he suggested the City investigate a way to waive the tap fees which would make the ADU more affordable. And, as a member of the Metropolitan Sewerage District Board of Directors, he would bring the MSD tap waiver suggestion to their attention. Since the City provides economic development incentives for large companies, a tap fee waiver might be a way to provide that same level of economic development to property owners which will be making an investment in the community.

It was the consensus of Council to have the Finance Committee provide information regarding ADU tap fees at their September meeting.

The motion made by Councilman Smith and seconded by Councilman Pelly carried on a 6-1 vote, with Councilman Bothwell voting "no."

ORDINANCE BOOK NO. 30 – PAGE 67

V. UNFINISHED BUSINESS:

A. ORDINANCE NO. 4432 - ORDINANCE ADOPTING THE FISCAL YEAR 2015-16 ANNUAL OPERATING BUDGET AND AMENDMENTS TO THE FEES & CHARGES MANUAL

Director of Finance & Management Services Barbara Whitehorn said that this is the consideration of an ordinance to adopt the Fiscal Year 2015/2016 Annual Budget along with changes to the Fees and Charges Manual discussed below.

The Fiscal 2015/2016 Proposed Annual Operating Budget was presented to City Council on May 26, 2015. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the Proposed Budget along with a notice of the Public Hearing was published on May 29, 2015. City Council conducted a public hearing on the Proposed Budget on June 9, 2015. The Fiscal 2015/2016 Proposed General Fund Budget is balanced with an Ad Valorem tax rate of \$0.475 per \$100 of assessed value, which represents a \$0.015 increase over the current year tax rate. All essential City services are maintained in the Proposed Budget.

Changes to the Proposed Budget - Since the Proposed Budget was presented to City Council, there have been two adjustments that have altered the budget that is presented tonight for Council adoption.

- **Strategic Partnership Funding:** At the June 9 City Council meeting, Council agreed to consider budgeting an additional \$50,000 in Strategic Partnership grants, pending the recommendations of the Housing and Community Development (HCD) Committee. At their June 16 meeting, the HCD Committee considered applications from ten eligible organizations that had not been granted funds at the June 9 City Council meeting and granted \$50,000 in additional funding. Council is taking action on these recommendations in a separate agenda item. Staff has adjusted the FY 2015/2016 Proposed General Budget to reflect this expenditure increase, and the sales tax revenue budget has been increased by \$50,000 to provide the necessary funding.
- **Capital Improvement Program – Craven Street Bridge:** Funding for this project was shown in the Proposed Budget Document Capital Improvement Program (CIP) section as part of the overall RADTIP cash flow. The Adopted Budget Document will show cash flow, including \$300,000 in funding from Buncombe County, for Craven Street Bridge separately from RADTIP. The overall cash flow totals for the five-year CIP remain unchanged.

Fees and Charges Manual Amendments - In conjunction with adoption of the Fiscal 2015/2016 Annual Operating Budget ordinance, staff is also seeking Council approval of the following amendments to the City's Fees and Charges Manual:

- **Residential Solid Waste Fee:** As discussed with City Council during the budget process, staff is proposing an increase in the solid waste fee from \$7.00 per month to \$10.50 per month. Revenue from this fee increase is included in the Proposed General Fund Budget.
- **Nature Center Fees:** Also, as discussed with City Council previously, the Proposed Budget includes various increases in admission fees at the Nature Center.

Pros:

- Ensures City's compliance with North Carolina General Statutes that require local governments to adopt a balanced budget ordinance by July 1 of each year.
- General Fund Budget is balanced with no fund balance appropriation and all essential City services are continued.

Con:

- None.

As noted above, the Proposed FY 2015/2016 General Fund budget is balanced with no fund balance appropriation and the maintenance of all existing programs and services. Based on revenue and expenditure projections for FY 2014/2015, staff estimates that the City's unassigned fund balance in the General Fund will be \$17.7 million on June 30, 2015. With a Proposed FY 2015/2016 General Fund budget total of \$103 million, this \$17.7 million in unassigned fund balance equates to 17.2% of total budgeted expenditures.

Staff requests that Council (1) adopt the FY 2015/2016 Annual Budget Ordinance; and (2) amend the Fees and Charges Manual with the changes noted above.

Mayor Manheimer stated that since the public hearing was held on June 9, 2015, no public comment would be accepted.

In response to Councilman Bothwell, Assistant City Manager Fetherston said that a plan should be available in 60 days to address how the living wage raises will be implemented, and at that time City Council can direct staff to make the pay adjustment retroactive to July 1.

In response to Vice-Mayor Hunt, Ms. Whitehorn said that the \$50,000 additional funding for the strategic partnership fund grants have been included what is before Council, as there was clear direction by Council at the June 9 meeting.

Councilman Pelly supported the budget, however, he felt we should allocate a portion of fund balance for Fiscal Year 2015-16 for non-recurring, one-time capital expenditures while still maintaining the 10% minimum relative growth, instead of raising property taxes by 1.5 cents.

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

Councilman Bothwell moved for the adoption of Ordinance No. 4432. This motion was seconded by Councilwoman Wisler and carried on a 6-1 vote, with Councilman Pelly voting "no".

ORDINANCE BOOK NO. 30 – PAGE 72

B. RESOLUTION NO. 15-139 - RESOLUTION AUTHORIZING THE APPROVAL OF ADDITIONAL 2015-16 STRATEGIC PARTNERSHIP FUND GRANTS

Assistant Director of Economic & Community Development Jeff Staudinger said that this is the consideration of a resolution approving the recommendations of the Housing & Community Development (HCD) Committee for additional grants from the 2015-16 Strategic Partnership Fund program.

At the June 9 City Council meeting, Council agreed to consider budgeting up to an additional \$50,000 in Strategic Partnership Fund grants, pending the recommendations of the Housing and Community Development Committee. At their June 16 meeting, the HCD Committee considered applications from 10 eligible organizations who had not been granted Funds at the

June 9 City Council meeting. The HCD Committee recommends the following applications for funding:

Agency	Funding Support Purpose	2015 Funding Recommendation
One Youth at a Time	Funds will provide mentoring and tutoring, guided growth activities, job training and placement assistance to at-risk and critically at-risk youth ages 8-19.	5,000
Partners Unlimited	Year-round high school credit recovery on-line learning program through the Academic Enhancement Program. Partners Unlimited will decrease high school dropout and increase college opportunities for minority and economically disadvantaged high school students.	5,000
Asheville GreenWorks	Activities include educating public housing residents on practices and benefits of recycling; launching classroom composting programs in 17 public schools; engaging 10 low-income youth in paid environmental stewardship internships; and coordinating the Adopt-a-Street program	15,350
Green Opportunities	Go will pilot the GO Maintenance Crew maintenance training and job placement service. The pilot will be run for one year to test its feasibility as an ongoing social enterprise, provide more advanced training options, and create career ladder-oriented jobs.	17,150
Project Lighten Up	Support for a community summer day camp that blends education and recreation into daily activities, accomplished through Science, Technology, Engineering and Math (STEM) and Expeditionary Learning (EL) projects.	3,500
Read to Succeed Asheville	Read to Succeed helps lower the achievement gap in Asheville City Schools (ACS) by identifying Kindergarten students who are challenged by learning to read, and matching them with volunteer reading coaches. Coaches make a commitment to mentor and tutor this student in reading until the student is a proficient reader and in the third grade.	4,000

Total recommended additional recommended funding is \$50,000.

Pros:

- Approval of the Strategic Partnership Fund provides operating support to Asheville-based organizations that are providing direct services for Asheville residents.
- The Strategic Partnership Fund reflects the carefully considered recommendations of the City's Housing & Community Development Committee.

Con:

- Budget constraints continue to curtail the availability of funds; supported organizations will need to find alternate sources of program support. All worthy proposals could not be funded.

Strategic Partnership Funds are funded from the City's general fund. The funding recommendations add \$50,000 to the earlier recommended SPF fund allocation of \$98,400, for a total recommended allocation of \$148,400. Staff will adjust the FY 2015-16 Proposed Budget to include this additional \$50,000 in the general fund budget.

The HCD Committee recommends approval of the 2015-16 Strategic Partnership Fund grants as presented.

Rev. Spencer Hardaway, representing Project Lighten Up, thanked Council for providing the additional funding.

Councilman Smith, Chair of the Housing & Community Development Committee, said that the Committee initiated a process to examine how we can best leverage future funds towards our achievement gap goal as outlined in Council's Strategic Operating Plan.

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

Vice-Mayor Hunt moved for the adoption of Resolution No. 15-139. This motion was seconded by Councilman Bothwell and carried unanimously.

RESOLUTION BOOK NO. 37 – PAGE 200

VI. NEW BUSINESS:

A. RESOLUTION NO. 15-140 - RESOLUTION REVISING THE CITY ECONOMIC DEVELOPMENT INCENTIVE POLICY

Economic & Community Development Director Sam Powers said that this is the consideration of a resolution revising the City Economic Development Incentive Policy, to use the median wage rate of new jobs created as a benchmark to determine quality job creation; and establish a benchmark for a living wage for companies that receive city economic development incentives.

City Council has adopted Strategic Goals for 2015-16, affirming priorities to ensure that Asheville is a City that provides Economic Growth and Sustainability, Affordability and Economic Mobility, and High Quality of Life. In the focus area of Economic Growth and Sustainability, Council adopted an action item that directed staff to review the City's current economic development incentive policy, analyze its alignment and utility regarding Council's overall strategic goals, and recommend changes to current policy if appropriate, with special emphasis on consideration of establishing a baseline minimum pay rate for eligibility under the Incentive Policy.

At its May 19, 2015, meeting, the City Council Planning and Economic Development (PED) Committee reviewed the existing incentive policy and made two recommendations to City Council: use the median wage rate of new jobs created as a benchmark to determine quality job creation; and establish a benchmark living wage for companies that receive city economic development incentives.

The current criteria in the City Economic Development Incentive Policy utilizes the Average Weekly County Wage Rate for Buncombe County to determine “equity and quality of jobs created”. PED recommended that the policy be revised to use the median wage rate of the new jobs to determine equity and quality of jobs created. Using the median wage for job creation and retention will provide an accurate representation of central tendency in the job creation, and will meet the intent of the policy that the majority of jobs being created should be high quality jobs.

A Living Wage Certification Program administered by the non-profit organization Just Economics provides a certification platform and through that program, certified employers pay at least the current Living Wage which is \$11/hour with employer provided health insurance. PED’s recommendation to City Council is that the city should consider only participating in projects that create jobs that pay at or above a Living Wage, which is currently \$11 for positions that provide health benefits. There is a Universal Living Wage Formula that the city can utilize to determine the current living wage at the time a company applies for consideration for incentives. PED also suggested that full Council discuss the option of only incenting the new jobs created above the benchmark versus only participating in projects that pay the living wage.

Other key requirements of the Policy will remain:

- Minimum new capital investment by the applicant of \$1.5 Million
- Project does not transfer existing employment from one location in the City to another
- Have a human resources benefit policy
- Project is a new location or retention/expansion of an existing qualifying business in the City of Asheville
- In accordance with NCGS 158-7.1 other incentives outside of this policy may be provided on a case by case basis
- Performance based grant, paid after jobs are created, capital investment is made, taxes are paid and verified
- Performance contract with the City of Asheville

Pro:

- Aligns with Council Strategic Goals and 2025 Comp Plan.

Con:

- Eliminating participation in any projects unless all jobs are Living Wage could cause potential projects, especially if the project begins with a written RFP response to a site consultant, to be eliminated from consideration before the City has an opportunity to fully engage in a meaningful discussion about the City as a project location.

There is no change in financial impact of the policy revision. All economic development incentive grants are performance based, there is no up-front granting of incentives. Additionally all incentive grants have positive cash flow in that only a portion of new incremental ad valorem taxes created by the company are utilized in the incentive grant. A percentage of ad valorem tax paid by the company stays in the General Fund.

Staff recommends Council accept the PED recommendations to revise the City Economic Development Incentive Policy, to use the median wage rate of new jobs created as a benchmark to determine quality job creation; and establish a benchmark for a living wage for companies that receive city economic development incentives.

There was a brief discussion regarding the option of only incenting the new jobs created above the benchmark versus only participating in projects that pay the living wage. It was the consensus of Council to only participate in projects that pay the living wage.

When Mayor Manheimer asked for public comments, none were received.

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

Councilwoman Wisler moved for the adoption of Resolution No. 15-140. This motion was seconded by Councilman Bothwell and carried unanimously.

RESOLUTION BOOK NO. 37 – PAGE 201

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

On behalf of City Council, Mayor Manheimer expressed the community's grief regarding the tragedy in Charleston, South Carolina.

Ms. Sherry Christenson, Aging Program Specialist at Land of Sky Regional Council, brought to Council's attention the 40th Anniversary of April 12-18 being National Volunteer Week, and the 50th Anniversary of May being Older Americans Month.

Rev. James Lee, member of the Ad Hoc Committee for the African American Heritage Commission, and Ms. Sasha Mitchell, Chair of the African American Heritage Commission, presented Council with a petition containing 2,042 signatures, along with support from numerous organizations, which proposed "That in conjunction with this major effort to repair and restore the Vance monument, plans be made now to create in Pack Square an equally-significant monument to recognize the enormous sacrifices of African Americans during the period of Slavery and Segregation and also to celebrate the many contributions of African Americans to the physical, economic and cultural life of Asheville and Buncombe County since their arrival here in the late 1700s." The Commission asked for the City's support which will go a long way towards fundraising. The Commission will create the plans and gather input. Mayor Manheimer said that the City is eager to partner with the Commission's efforts to construct some type of marker or monument to the African American's historical contributions to the City. The City is eager to stand ready to help support your efforts and we are hoping to see some momentum on the fundraising and plans by the Commission.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 7:10 p.m.

CITY CLERK

MAYOR