

Tuesday – June 28, 2016 - 10:00 a.m.
Municipal Building

Worksession on Bond Referendum

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Gwen C. Wisler; Councilman Cecil Bothwell; Councilman Brian D. Haynes; Councilwoman Julie V. Mayfield; Councilman Gordon D. Smith; Councilman W. Keith Young; City Manager Gary W. Jackson; City Attorney Robin T. Currin; and City Clerk Magdalen Burleson

Absent: None

City Manager Jackson recapped where we are up to today.

Director of Finance and Management Services Barbara Whitehorn provided the Council with the property tax history and context.

Ms. Whitehorn then reviewed the following four main categories, with assistance from Public Works Director Greg Shuler, Transportation Director Ken Putnam, and Director of Parks & Recreation Roderick Simmons, Assistant City Manager Paul Fetherston, Community Development Manager Jeff Staudinger, and Assistant City Manager Cathy Ball. They then outlined each subproject justification and amount, and asked if these are the categories that Council wants to see on the ballot.

1. Parks and Recreation - Funding Recommendation \$17 Million.

Option Justification: The City of Asheville – located in the heart of the Blue Ridge Mountains – has a history and culture that supports the benefits of cultural and recreational opportunities within the community. As outlined in the City Council adopted Parks, Recreation, Cultural Arts, and Greenways Master Plan (2009), the City must invest in improvements to existing facilities, programs, development of new parks and facilities in order to maintain and enhance the level of service in Parks and Recreation.

This proposed package of investments in Parks and Recreation was developed in conjunction with the following principles:

- Assuring high quality facilities by concentrating facility improvement efforts on bringing older facilities up-to-date as neighborhood centers before adding new community-wide center elements to the system
- Providing for facilities and resources across the community that meet level of service needs within those areas
- Focus on improvements of assets across the community in a manner that maximizes access to quality resources community-wide and within each area of the community, or through centralized and accessible resources

As outlined below, a bond package that focuses investments within these areas enables the community to complete significant capital maintenance and improvement projects that otherwise would not be completed within the next 5-10 years, if not later. In addition, the investments enable the community to maximize its resources on long-term improvements rather than in a piece-meal manner that is focused on short term reactionary maintenance efforts in an environment of competing interests for limited resources.

Recommended Projects:

Project	Area	<u>Amount</u>
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Wesley Grant Center Phase II	Central	\$4.65 Million
Memorial/Mountainside Stadium	Central	\$4.075 Million
Jake Rusher Park	South	\$825,000
Montford Park Complex Improvements	North	\$1.7 Million
Richmond Hill Park Restrooms	East	\$520,000
Outdoor Courts and Playgrounds	City-Wide	\$2.03 Million
Ball Fields Lighting	North & South	\$1.2 Million
Land Acquisition for Parks	North & South	\$2 Million
	Total	\$17 Million

2. Infrastructure - Funding Recommendation \$30 Million.

Option Justification: The City's infrastructure plays a vital role in connecting people to places safely for work and play. Improved transit, bikeways, greenways and mobility have been identified as priorities for our city by the Asheville in Motion mobility plan, the Transit Master Plan, the Greenway Master Plan, City Council's 2036 Vision and the citizen of Asheville.

Recommended Projects:

- Streets and Bikeway Improvements
- Sidewalk Maintenance
- New Sidewalks
- Transportation Safety
- Greenway

Streets and Bikeways	\$15,500,000
Sidewalk Improvements	\$ 3,535,000
New Sidewalk Projects	\$ 6,320,000
Transportation Safety	\$ 1,900,000
Greenways	\$ 4,600,000

Total \$31,855,000

3. Public Safety - Funding Recommendation \$13 Million.

Option Justification: City-wide Facilities Overview - Currently, the City of Asheville provides operations, services and programs to a community base of approximately 87,882 (2014) residents, and these services support between three and nine million visitors annually. Such operations, services and programs are provided by an employee base of 1,203 located in over 60 facilities located across the city. The facilities from which these operations, services and programs are based vary in age and condition. Each year, capital funding of \$275,000 (Facility Upgrades) and \$150,000 (Roof Replacements) is allocated to address capital improvements and renovations for all facilities. General fund dollars pay for operations & maintenance costs such as utilities and contracted services (e.g., elevator maintenance), and there is a separate general fund allocation of \$363,000 to pay for day-to-day repairs and maintenance.

Public Safety Facilities Overview - The City provides public safety services (Police, Fire and Rescue) on a 24 hour/7 day per week basis to the residents and visitors within the community through an employee base of 545 (45% of City employees). The facilities from which these public safety services are provided include the Municipal Building (located at 100 Court Plaza), remote fire stations, and police sub-stations, plus a number of support facilities for equipment and other purposes. As noted later in this report, the age and condition of each facility vary. There is no dedicated funding stream for capital improvements or renovations for public safety facilities, so these buildings compete with

all City-owned facilities for the total annual capital allocation of \$425,000 for Facility Upgrades & Roof Replacements and any available general fund dollars for repairs & maintenance.

This proposed package of investments in Public Safety facilities was developed in conjunction with the following principles:

- Assuring facilities through which critical public safety services can be provided in a manner that meets level of service needs across the community and within each respective area;
- Focus on improvements to facilities through which critical public safety services can be provided in an equitable manner community-wide and within each area of the community;
- Prioritize renovations at facilities with the highest level of occupancy or use, which is 24/7 at the proposed locations.

As outlined below, a bond package that focuses investments within these areas enables the community to complete significant capital maintenance and improvement projects that otherwise would not be completed within the next 5-10 years, if not later. In addition, the investments enable the community to maximize its resources on long-term improvements rather than in a piece-meal manner that is focused on short term reactionary maintenance efforts in an environment of competing interests for limited resources.

Recommended Projects:

PROJECT	AREA	AMOUNT	TIMING without bond	TIMING with bond
Municipal Building Renovations and Improvements	Downtown with City-wide impacts	\$8 million total Renovations-\$3 million Expansion-\$5 million	Unknown as no funding allocated	Renovations complete within 2-3 years; Expansion complete within 4-5 years
Remote Fire Station and Police Sub-Station Renovations	Specific community locations with City-wide impacts	\$5 million	Unknown as no funding allocated	Renovations complete within 2 years
TOTAL		\$13 million		

4. Affordable Housing Programs - Funding Recommendation \$30 Million.

Option Justification: Asheville is in an affordable housing crisis that continues to worsen each year. Even with the increase in the number of rental units on the market, rental prices are still increasing. The Affordable Housing Score Card completed in January 2014 states that, "In 2013, the Asheville Consortium assisted with 402 affordable housing units, while the city of Durham assisted with 167 units." Even with our successful accomplishments, it is not enough.

The Bowen Report of January, 2015, stated that the City needs more than 7,000 housing units affordable to low and moderate income families by 2020. Our current pace to meet that need, supporting 100- 200 new units a year through our existing funding, falls far short of meeting that need, and short of Council's goal of 2,800 new units by 2022.

Additional funding dedicated to affordable housing will help provide new housing solutions, as well as creates economic benefit through job creation, materials purchasing and secondary spending.

Many of the programs recommended in this package will require additional resources in the early years of the bond to establish processes and procedures. The staffing demands become less onerous as the programs become more established.

The city's comprehensive affordable housing strategy includes the recommendation for additional dedicated funding for affordable housing through:

- Creating diverse housing choices in every neighborhood.
- Facilitating the creation of a variety of housing options in every part of the city, including existing single-family neighborhoods and commercial districts.

Recommended Programs/Initiatives:

1.	Homeownership Developer Loan Program	- \$7 Million
2.	Increased Housing Trust Fund	- \$5 Million
3.	Community Land Trust Formation	- \$3 Million
4.	Land Banking or Repurposing City Owned Land	- \$15 Million
	Total	- \$30 Million

Ms. Whitehorn then reviewed the remaining 6 week schedule, noting that staff goes to the Local Government Commission (LGC) to present the purpose and scope on Friday, July 1, 2016. At this meeting, the maximum scope and all categories must be determined.

Councilwoman Mayfield asked that \$250,000 be dedicated to the renovations of the Thomas Wolfe Cabin. It was the consensus of Council to include that in the proposal under the Parks and Recreation category.

After discussion and staff responses to questions/comments, Council then each identified their preferences on the project categories, along with how much funding should be dedicated to each category and to the whole. It was the consensus of Council to rename "Infrastructure" to "Transportation."

Mayor Manheimer: Transportation - entire \$32 Million; Parks and Recreation - entire \$17 Million; Public Safety - Zero; and Affordable Housing - \$5 Million (only for Housing Trust Fund). Total of \$54 Million.

Vice-Mayor Wisler: Transportation - \$25 Million; Parks and Recreation - \$10-15 Million range; Public Safety - Zero; and Affordable Housing - \$5 Million (only for Housing Trust Fund). Total \$40-45 Million.

Councilman Young - Transportation - entire \$30 Million; Parks and Recreation - \$11 Million; Public Safety - Zero; and Affordable Housing - \$20 Million (no Housing Trust Fund). Total \$61 Million.

Councilman Smith - Transportation - entire \$32 Million; Parks and Recreation - entire \$17 Million; Public Safety - Zero; and Affordable Housing - \$21 Million. Total \$70 Million.

Councilwoman Mayfield - Transportation - entire \$32 Million; Parks and Recreation - \$15 Million (no land acquisition for parks); Public Safety - \$10 Million (expansion only); and Affordable Housing - \$23 Million (no Homeownership Developer Loan Program). Total \$80 Million.

Councilman Bothwell - Transportation - entire \$32 Million; Parks and Recreation - entire \$17,000; Public Safety - Zero; and Affordable Housing - \$15 Million (no land banking or repurposing City-owned land). Total \$64 Million.

Councilman Haynes - Transportation - entire \$32 Million; Parks and Recreation - entire \$17 Million; Public Safety - Zero; and Affordable Housing - \$25 Million (no Housing Trust Fund). Total \$74 Million.

After a brief discussion about whether to leave Public Safety as a category to advance to the LGC and have it as a polling question, it was the consensus of Council to remove that as an item to move forward to the LGC. Council agreed that this particular issue needed to receive review by the Public Safety Committee and the full Council.

It was the consensus of Council to have the following three categories presented to the LGC: (1) Transportation - \$32 Million; (2) Parks and Recreation - \$17 Million; and (3) Affordable Housing - \$25 Million. Total - \$74 Million. Council also will work towards a bond reduction amount of approximately \$50-60 Million.

Mayor Manheimer adjourned the worksession at 11:55 a.m.

Tuesday – June 28, 2016 - 5:00 p.m.

Regular Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Gwen C. Wisler; Councilman Cecil Bothwell; Councilman Brian D. Haynes; Councilwoman Julie V. Mayfield; Councilman Gordon D. Smith; Councilman W. Keith Young; City Manager Gary W. Jackson; City Attorney Robin T. Currin; and City Clerk Magdalen Burleson

Absent: None

PLEDGE OF ALLEGIANCE

Mayor Manheimer led City Council in the Pledge of Allegiance.

I. PROCLAMATIONS:

A. RESOLUTION NO. 16-147 - RESOLUTION IN MEMORY OF ISAAC COLEMAN

Councilman Young read the resolution in memory of Isaac Coleman and presented it to Ms. Wanda Coleman. Ms. Coleman, on behalf of his family, hoped that everyone would remember what Isaac stood for.

Resolution No. 16-147 was adopted by acclamation.

RESOLUTION BOOK NO. 38 – PAGE 91

II. CONSENT AGENDA:

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON JUNE 14, 2016 AND THE WORKSESSION HELD ON JUNE 20, 2016

B. ORDINANCE NO. 4509 - BUDGET AMENDMENT FROM DUKE ENERGY PROGRESS FOR ENERGY EFFICIENCY REBATES

Summary: The consideration of a budget amendment, in the amount of \$6,708.90, from Duke Energy Progress for energy efficiency rebates.

The funds received are from Duke Energy Progress for the upgrade of the exterior spotlights on City Hall. The new LED lights use 1/10 of the energy of the previous metal halide lights. The received funds will go into sustainability programming, which will fund further energy efficiency upgrades and other green initiatives.

Pro:

- Accepting these funds will allow the city to continue investing in improving in public energy infrastructure.

Con:

- None can be identified.

The \$6,708.90 will be used as revenue to further fund sustainability programming.

City staff recommends City Council accept \$6,708.90 from Duke Energy Progress for energy efficiency rebates.

ORDINANCE BOOK NO. 30 - PAGE 359

C. RESOLUTION NO. 16-148 - RESOLUTION APPOINTING A MEMBER TO THE CITIZENS-POLICE ADVISORY COMMITTEE

Summary: On May 17, 2016, City Council amended the composition of the Citizens-Police Advisory Committee to (1) convert the Asheville-Buncombe Community Relations Council seat to a seat dedicated to a resident of property owned by the Housing Authority; and (2) convert the two current ad hoc member seats to at-large seats appointed by City Council with three-year terms.

Mr. Sir Charles Gardner, 14 Granada Street, Asheville, N.C., be and he is hereby appointed to the seat dedicated to a resident of property owned by the Housing Authority, to serve a three-year term, term to begin immediately and expire June 30, 2019, or until his successor has been appointed.

RESOLUTION BOOK NO. 38 - PAGE 92

D. RESOLUTION NO. 16-149 - RESOLUTION REAPPOINTING ALAN COXIE AS CHAIR TO THE CIVIL SERVICE BOARD

Summary: It is the responsibility of City Council to appoint the Chair of the Civil Service Board and the Chair of the Civil Service Board shall be appointed annually by City Council.

In 2013, a process was established for future appointments to the chair role of the Civil Service Board. Said process offered members of the Civil Service Board to express interest in serving as Chair.

On April 14, 2016, all members were advised to contact City Clerk Burleson if they were interested in serving as Chair. Mr. Alan Coxie was the only interested member. The term of the current Chair Alan Coxie expired on June 25, 2016.

Mr. Alan Coxie be and he is hereby reappointed as Chairman of the Civil Service Board to serve a one-year term until his successor is duly appointed or until his term on the Civil Service Board expires, whichever occurs first.

RESOLUTION BOOK NO. 38 - PAGE 93

E. RESOLUTION NO. 16-150 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT ADDITIONAL EMERGENCY SOLUTIONS GRANT FUNDS FOR RAPID RE-HOUSING AND ADMINISTRATION

Summary: The consideration of a resolution authorizing the City Manager to accept additional Emergency Solutions Grant funds for Rapid Re-housing and Administration.

The State of North Carolina has awarded 2015-16 Emergency Solutions Grant (ESG) funds to the City of Asheville in order to fund local agencies to provide emergency shelter and rapid rehousing services for homeless individuals and families, as well as administrative support for the City of Asheville. Due to high outcomes in FY14-15, additional Rapid Re-housing money and administration support has been awarded.

The City of Asheville has been granted an additional \$30,372 in the FY16 cycle for the following activities:

	Emergency Response	Housing Stabilization	Administration	Total
Organization				
Homeward Bound		\$ 28,372		\$ 28,372
City of Asheville			\$ 2,000	\$ 2,000
TOTAL AWARD		\$ 28,372	\$ 2,000	\$ 30,372

The award of funds was limited to Homeward Bound and the City of Asheville, as the other ESG recipients do not perform Rapid Re-housing or Administration activities. All of the State's requirements have been met by the agencies being recommended for the additional grant funds.

Pro:

- Approval of the Amendment allows additional homeless households to move to permanent housing in 2016.

Con:

- None noted.

The Emergency Solutions Grant is fully funded from the State of North Carolina Division of Aging and Adults Services, Housing and Homeless Unit.

Staff recommends approval of the resolution authorizing acceptance of an additional \$30,372 in Emergency Solutions Grant funds from the State Division of Aging and Adult Services (DAAS), Housing and Homeless Unit.

RESOLUTION BOOK NO. 38 - PAGE 94

F. RESOLUTION NO. 16-151 - RESOLUTION AUTHORIZING THE CITY TO APPLY FOR FUNDS THROUGH THE US OFFICE OF JUSTICE 2016 EDWARD BYRNE JUSTICE ASSISTANCE GRANT - LOCAL SOLICITATION

Summary: The consideration of a resolution authorizing the City to apply for funds through the US Office of Justice 2016 Edward Byrne Justice Assistance Grant –Local Solicitation in the amount of \$55,150.

The City of Asheville Police Department (APD) requests authorization to apply for the Byrne JAG – Local Solicitation. This is a predetermined amount of funds based on the Part 1 Uniform Crime Reporting Crimes. If the grant is approved the Asheville Police Department

and Buncombe County Sheriff's Department will be allocated \$55,150 based on the award matrix, with Asheville receiving \$43,902 and Buncombe County receiving \$11,248. The distribution of funds would be approved through a signed Memorandum of Understanding.

Funds will be utilized to purchase Taser devices which will serve to enhance officer safety and potentially reduce the propensity for injury that offenders could be exposed to during altercations with officers. Effective Taser applications have demonstrated the capability to incapacitate threatening subjects by using an electrical charge to target the motor nerves that control movement. Ideally, these devices facilitate effective restraint while reducing the opportunity for injury to all involved parties, thereby potentially reducing workers' compensation claims and liability claims.

There will be an expense of \$43,902 by the APD for the purchase of approximately 30 Tasers. The Buncombe County Sheriff's Department will be awarded \$11,248 for its identified needs. This accounts for the total allocation of \$55,150 for this grant.

This is a 100% funded non-local match grant that will serve to enhance officer safety for substantially more patrol officers and potentially reduce the probability of injury for threatening offenders.

Pros:

- Increasing the number of Tasers for patrol officers will enhance officer safety and that of the community
- Increased accountability because of the downloadable content related to deployments
- Costs of the devices could offset the costs incurred by workers' compensation or liability claims

Cons:

- Additional burden on future operations budget for the cost of maintenance and replacement after the approximate five-year service life of the device
- Additional training costs associated with purchasing the training cartridges at an approximate cost of \$40 per year per device.

If the grant is awarded, there is no local match required, however there would be maintenance and replacement costs for the equipment that would need to be included in future fiscal year budgets.

Staff recommends City Council adopt the resolution authorizing the City Manager to apply for grant funds through US Office of Justice Programs in the amount of \$55,150.

RESOLUTION BOOK NO. 38 - PAGE 95

G. RESOLUTION NO. 16-152 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT WITH BUNCOMBE COUNTY FOR PHASE II OF THE COMPOSTING FEASIBILITY STUDY

Summary: The consideration of an Intergovernmental Agreement between Buncombe County and City of Asheville to continue a partnership to study the implementation of an organic waste processing operation at the Buncombe County Landfill.

In February 2013, City Council approved Resolution 13-178 authorizing The City of Asheville and Buncombe County partnership to perform a feasibility study for an organic waste processing operation. The study focused on organic waste generated by residential units in the

City with the objective of determining the most cost effective and sustainable means of collecting, hauling and processing organic waste from the City.

The study included a waste composition field audit that estimate a percentage of the organics in the post-recycled waste stream from residential units within the City. Organic waste identified for the study included: food waste, food-contaminated paper products, household plants and yard debris. The audit yielded 26% organic waste within the post-recycled waste stream.

Through the Phase I Organic Waste Study, it was concluded that the best method for processing organic waste was by an anaerobic digester based on estimates for capital expenditures, annual operations and maintenance, and revenue from power sales.

Phase II of the study will focus on waste generation projections in Asheville and Buncombe County, projected program costs and landfill capacity.

Phase II tasks to be completed:

1. Introductory report,
2. Refine current and future waste generation projections,
3. Estimate the amount of organic waste available for the proposed processing facility,
4. Evaluate MSW collection system modification options,
5. Project future solid waste program costs and landfill capacity,
6. Draft final report, and
7. Meetings.

Pros:

- Addresses Resolution 14-27 Waste Reduction Goal and Benchmarks
- Continued effort towards Zero Waste Asheville
- Evaluate the feasibility of a large scale organics program for the residents of Asheville

Con:

- None foreseen

Phase II of the study will be performed by Environmental Infrastructure Consulting and proposed a cost of \$75,000. The City has agreed to reimburse the County for one half the cost of this work, \$37,500. Sustainability funds will be used for the Phase II study.

City staff recommends City Council adopt the Intergovernmental Agreement with Buncombe County to continue the organics study.

RESOLUTION BOOK NO. 38 - PAGE 96

H. ORDINANCE NO. 4510 - ORDINANCE ENACTING A 25 MILES PER HOUR SPEED LIMIT ON VARIOUS SECTIONS OF STREETS IN THE CITY OF ASHEVILLE

Summary: The consideration of an ordinance to enact and/or change the speed limits on various sections of streets in the City of Asheville.

According to state law (NCGS # 20-141), the statutory speed limit in North Carolina is 35 mph inside municipal corporate limits for all vehicles and 55 mph outside municipal corporate limits for all vehicles except for school buses and school activity buses.

Furthermore, local authorities may authorize by ordinance higher speeds or lower speeds than the statutory 35 mph speed limit on locally-maintained streets provided that the higher speed

limit cannot exceed 55 mph. Speed limits authorized by local authorities are effective when the appropriate signs are erected.

City staff recently completed traffic engineering investigations and determined that a 25 mph speed limit would be reasonable and safe on Beaver Valley Road from Beaverdam Road to End of City Maintenance, Charlotte Street from Orchard Street to Woodlink Road, Davenport Road from Brevard Road to End of City Maintenance, Gudger Road from Sand Hill Road to Sand Hill School Road, Holly Ridge Drive from Westridge Drive to Bevlyn Drive, Homeway Road from Appalachian Way to Lakeside Drive, Inglewood Road from Elk Mountain Scenic Highway to Windsor Road, Iris Street from Shady Oak Lane to London Road, Reed Street from US 25A Sweeten Creek Road to Fielding Street, School Road East from Onteora BLVD to End of City Maintenance, Sulphur Springs Road from US 19/23 Bus Haywood Road to Mimosa Road, Westridge Drive from Overlook Road to Springside Road.

Pros:

- City staff has been able to respond favorably to citizen's requests.
- The new speed limits will be consistent with roads of like character and design.
- This action will also bring some of the roads into line with our speed limit policies
- Based on the 85th percentile speeds, most drivers would adhere to the recommended speed limits on these roads.

Cons:

- The initial cost to install the appropriate speed limit signs is about \$1,500.00.
- Typically, speed limit signs have a serviceable life of five to seven years.

The initial cost to install the appropriate speed limit signs is about \$1,500.00 and is included in the current operating budget for the Transportation Department.

City staff recommends that City Council approve an ordinance enacting a 25 mph speed limit on Beaver Valley Road from Beaverdam Road to End of City Maintenance, Charlotte Street from Orchard Street to Woodlink Road, Davenport Road from Brevard Road to End of City Maintenance, Gudger Road from Sand Hill Road to Sand Hill School Road, Holly Ridge Drive from Westridge Drive to Bevlyn Drive, Homeway Road from Appalachian Way to Lakeside Drive, Inglewood Road from Elk Mountain Scenic Highway to Windsor Road, Iris Street from Shady Oak Lane to London Road, Reed Street from US 25A Sweeten Creek Road to Fielding Street, School Road East from Onteora BLVD to End of City Maintenance, Sulphur Springs Road from US 19/23 Bus Haywood Road to Mimosa Road, Westridge Drive from Overlook Road to Springside Road.

At the suggestion of Vice-Mayor Wisler, it was the consensus of Council to have the Traffic Engineer brief the Public Safety Committee on the City's current policy regarding the City-wide 35 miles per hour speed limit and the possibility of reducing it to 25 miles per hour.

ORDINANCE BOOK NO. 30 - PAGE 361

I. RESOLUTION NO. 16-153 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN EASEMENT FROM THE ASBURY UNITED METHODIST CHURCH FOR PARKING IMPROVEMENTS

Summary: The consideration of a resolution authorizing the City Manager to accept by donation or otherwise, an easement of real property for parking and sidewalk improvements on Kimberly Avenue at the Asbury Memorial United Methodist Church.

Asheville City Streets Department has been working with the Asbury Memorial United Methodist Church (Asbury Church) to relocate the sidewalk and alter the parking along Kimberly Avenue at their property located at 171 Beaverdam Road. An easement from the church would be needed to make these improvements. The Church is located at Beaverdam Road and

Kimberly Avenue and the PIN for this parcel is 9740-54-3475. The City is requesting 4,500 square feet or 0.103 acres of permanent easement. The Church had indicated that they are donating this easement.

Pro: The installation of public infrastructure on Kimberly Avenue will increase safety for pedestrians and vehicles using this street.

Con: The City would be responsible for ongoing maintenance of improvements.

No fiscal impact as the Asbury Church expects to grant the easement at no cost to the City.

City staff recommends that the City Council approve a resolution authorizing the City Manager to accept the easement in real property through donation or otherwise for the purpose of implementing these street improvements on Kimberly Avenue.

RESOLUTION BOOK NO. 38 - PAGE 97

J. RESOLUTION NO. 16-154 - RESOLUTION SETTING A PUBLIC HEARING ON JULY 26, 2016, TO CONSIDER A LAND USE INCENTIVE GRANT FOR SMITH MILL PLACE (BIOTAT LLC)

Summary: The consideration of a resolution setting a public hearing on July 26, 2016, to consider a land use incentive grant for Smith Mill Place (Biotat LLC).

The developer of Smith Mill Place, Biotat LLC, has applied for a Land Use Incentive Grant per the policy adopted by Council, and amended on September 22, 2015.

Biotat LLC, represented by Ward Griffin, seeks to develop a 3.71 acre site, located at 29 Oak Hill Road. The developer estimates a total development cost of \$6.95 million. The project consists of 72 residential rental apartments (36 one-bedroom units, and 36 three-bedroom apartments) in three, three story buildings.

The project, as presented to staff, appears to meet the following Eligibility Requirements,

- The proposed development consists of three or more dwelling units for rent;
- At least 10% of the units will meet the affordability standards set by the City of Asheville for households earning 80% or less of the Area Median Income.
- The affordable units will be affordable to and leased to income-eligible households for at least 15 years.
- The proposed development must be located inside the city limits.
- The proposed development must be located to provide residents convenient access to jobs, schools and services

Scoring

Affordable Rental Housing - The proposed project will provide 36 units affordable to households at 60% or less of median income, and the developer has committed to the affordability period of 15 years. The project qualifies for 60 points.

Workforce Rental Housing - The proposed project will provide 36 units (the remainder of the units) for households earning 100% or less of median income (this has been verified with the

developer, who indicated 120% of median income in the application), for a period of 20 years. The project qualifies for 15 points.

Superior locational efficiency - The proposed project is within .25 mile of an existing bus-stop served by one-half hour ART transit frequency. The project qualifies for 10 points.

Long term affordability - The proposed project will be committed to serving households at the designated rental rates for a period of 20 years. This qualifies the project for 10 points.

Staff has scored the project with 95 points, and the developer agrees with that scoring. The project qualifies for a Nine and One-Half Year (9.5) Land Use Incentive Grant.

The Housing and Community Development Committee reviewed the application at their meeting on June 14, 2016, and unanimously recommended approval of the Land Use Incentive Grant as outlined in this staff report.

Pros:

- The proposed project will provide affordable rental housing to 60 households earning 60% or less of area median income, for a period of at least 20 years;
- The proposed project addresses the pressing need for affordable one-bedroom apartments;
- The proposed project has a significant economic impact. Construction wages and material purchases will positively affect the local and regional economy.

Cons:

- Cost estimates are not yet fully developed, and project costs as presented may change as it moves towards development.

Estimated value of Land Use Incentive: The current assessed value of the property is \$243,100. The developer's estimate of completed project taxable value is \$6,949,313. The current annual city tax, based on current assessed value, is \$1,154.73. The annual estimated city tax post completion, based on the developer's estimate of value is \$33,009.24. Therefore, the estimated annual Land Use Incentive Grant would be \$31,854.51, the exact amount to be determined by the length, in years, of the grant award, and the actual assessed value of the development upon completion. If approved for 9.5 years, the estimated Grant would be \$302,617.86. The subsidy per affordable and workforce unit would be \$4,203. The subsidy amount per affordable and workforce unit/year would be \$210.

The estimated amount of fees payable for Zoning Permit, Building Permit, Driveway Permit, Grading Permit, Plan Review Fees and Water Service Connection Fee is \$162,000. The value of each 10% of the fee rebate would be \$16,200. The exact amount would be determined by the percentage of fee rebate awarded as part of the Land Use Incentive Grant. If approved at the 95 point level, the fee rebate would be \$153,900, which is \$2,138 per unit.

This project has been approved for a Housing Trust Fund loan. The loan amount approved is \$520,000, for a loan term of 20 years, with a graduated 2% interest rate. The HTF loan per affordable unit is \$14,444. The total estimated subsidy per affordable unit, if the LUIG is approved, would be \$20,785.

Staff recommends that Council set a public hearing on July 26, 2016, to hear and act upon the request of Biotat LLC for a Land Use Incentive Grant.

RESOLUTION BOOK NO. 38 - PAGE 98

K. RESOLUTION NO. 16-155 - RESOLUTION AUTHORIZING THE APPROVAL OF THE 2016-17 STRATEGIC PARTNERSHIP FUND GRANTS

Summary: The consideration of a resolution approving the recommendations of the Housing & Community Development (HCD) Committee for the 2016-17 Strategic Partnership Fund.

The HCD Committee received applications from 21 eligible organizations for Strategic Partnership Funds for 2016-17. The HCD Committee considered these applications at their meeting on June 7, 2016, and now recommends 16 applications for funding. The recommendations are:

AGENCY	AWARD
Asheville Area Arts Council	\$10,000
Appalachian Sustainable Agriculture Project	\$5,000
Asheville Design Center	\$2,000
Bountiful Cities	\$11,000
Children First	\$20,000
Residents' Council – Asheville Housing Authority	\$10,000
Homeward Bound	\$30,000
My Daddy Taught Me That	\$20,000
OnTrack Financial	\$12,000
One Youth at a Time	\$5,000
Partners Unlimited	\$5,000
Project Lighten Up	\$3,500
Read to Succeed	\$4,000
WNC New Economy Coalition	\$6,900
United Way 211	\$2,000
YWCA	\$12,000
TOTAL	\$158,400

Total recommended funding is \$158,400. This amount is unchanged from last year's Strategic Partnership Fund Program.

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 do not exceed the fiscal limits included in the FY 2016-2017 Budget of \$158,400.

The HCD Committee recommends approval of the 2016-17 Strategic Partnership Fund grants as presented.

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L. RESOLUTION NO. 16-156 - RESOLUTION REJECTING ALL OF THE BIDS SUBMITTED FOR THE JOHN B. LEWIS SOCCER COMPLEX SYNTHETIC TURF REPLACEMENT PROJECT

Summary: The consideration of a resolution rejecting all of the bids submitted for the John B. Lewis Soccer Complex Synthetic Turf Replacement project.

The John B. Lewis Soccer Complex opened in 2005 and features four soccer fields. The fields were installed with synthetic turf with an expected lifespan of ten years. As a result, the fields have exceeded their useful life and the turf is worn and needs to be replaced.

ABYSA, who will be funding a majority of the construction cost, directly engaged an engineer to design the project and provide the specifications for the turf replacement which include the bid evaluation process.

The City was responsible for conducting the public bid process for this formal construction project. The City issued an Advertisement for Bids (bid #298-bidjbl) for the Turf Replacement (a formal construction process subject to NCGS 143-129) and on May 31, 2016, there were four bids received and opened.

Initial evaluation of all of the bids was conducted by the engineer who had written the project specifications and then provided his assessment to City staff for final review.

During this review staff concluded that in certain aspects, these evaluations were inconsistent with the City's standard evaluative process and the public bidding statutes.

And therefore, due to these concerns, it would be in the best interest of the City to reject all bids and start the process anew with the City staff assuming responsibility for the project's entire process for construction.

North Carolina General Statute §143-129 authorizes the rejection of bids for any reason determined by the governing body to be in the best interest of the City.

Additionally, it was made clear in the instructions for this Turf Replacement Bid, as with all City bids, that the City reserves the right to reject any and all bids.

Therefore, staff is requesting that the City Council reject the bids for the project. ABYSA is working with the Buncombe County Tourism Product Development Fund Committee to get an extension of the grant they were awarded for this project.

City staff recommends that the City Council reject all of the bids submitted for the John B. Lewis Soccer Complex Synthetic Turf Replacement project opened on May 31, 2016.

RESOLUTION BOOK NO. 38 - PAGE 101

M. RESOLUTION NO. 16-157 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A MUTUAL AID AGREEMENT AND MEMORANDUM OF AGREEMENT WITH LAND OF SKY REGIONAL COUNCIL TO PURSUE REGIONAL GIGABIT BROADBAND ADVANCEMENT IN IN WESTERN NORTH CAROLINA AND SUPPORT A LAND OF SKY GRANT APPLICATION

Summary: The consideration of a resolution authorizing the City Manager to enter into a Mutual Agreement and Memorandum of Agreement with Land of Sky Regional Council (Land of Sky) to pursue regional gigabit broadband advancement in Western North Carolina; and to support a Land of Sky grant application.

For Council's review are three documents relative to Asheville's participation in the initiative led by Land of Sky, called "West – Next Generation Network" (WestNGN). The initiative seeks to expand high-speed Internet service at gigabit speeds. The City's Finance committee will review these documents at their June 28 meeting.

The first of the documents is the Mutual Agreement. This spells out the work of the steering committee and overall goals. The second document is the Memorandum of Agreement, which spells out Asheville's contractual relationship with Land of Sky to provide technical assistance and project management. Specifically, Land of Sky will be contracting with an individual or firm to draft an RFP to achieve goals related to expanding high speed ("gigabit") service in the region. Land of Sky will also be compiling data and administering an RFP release and response process. Land of Sky will also apply for an Appalachian Regional Commission (ARC) grant to support the effort, and staff proposes to supply a letter of support.

Pros:

- This effort is built on a model used elsewhere (Research Triangle)
- Regional collaboration between cities including Fletcher, Hendersonville, and Asheville
- Gigabit network availability has shown to be a positive in municipalities like Kansas City and Chattanooga

Con:

- Some cost associated with the effort.

Regional municipal partners are cooperating to cover Land of Sky costs. Asheville's share will be \$11,893 and will be funded within the existing FY 2015-16 ITS Departmental budget.

City staff recommends City Council approve a resolution authorizing the City Manager to enter into a Mutual Agreement and Memorandum of Agreement with Land of Sky Regional Council to pursue regional gigabit broadband advancement in Western North Carolina; and to support a Land of Sky grant application.

RESOLUTION BOOK NO. 38 - PAGE 102

O. RESOLUTION NO. 16-158 - RESOLUTION AUTHORIZING THE MAYOR TO CONVEY AN EASEMENT TO DUKE ENERGY PROGRESS FOR THE CONSTRUCTION OF UNDERGROUND PRIMARY ELECTRIC CAPABILITIES FOR WHITE LABS ON SOUTH CHARLOTTE STREET

Summary: The consideration of a resolution authorizing the Mayor to convey an easement to Duke Energy Progress for the construction of underground primary electric capabilities for White Labs on South Charlotte Street.

White Labs has requested that Duke Energy Progress (DEP) construct underground primary electric capabilities with padmount transformer location at their site on Charlotte Street. This property at 172 S. Charlotte Street (PIN #9648-58-2843) is owned by the City of Asheville and White Labs has a recorded lease to upfit the structure and operate their business on this site for five years. In order to construct these improvements, DEP will have to cross city property and therefore, DEP is requesting 2,978 square feet or .068 acres of permanent easement. The easement is five (5) feet on either side of the cable center line for a total of ten (10) feet and ten (10) feet from the edge of the transformer pad.

White Labs is a yeast manufacturing business that was recruited to locate in Asheville and is a vital part of the craft brewery industry. They plan to operate a 26,000 square foot combination laboratory, production facility and tasting room. They will be creating 65 jobs and plan to make a \$8.1 million investment over five years.

Pro: Granting this easement is part of the revitalization a downtown city property. The site which is still owned by the City of Asheville will have upgraded capabilities for electrical energy.

Con: None

City staff recommends City Council approve a resolution authorizing the Mayor to convey this permanent utility easement across a city owned parcel on S. Charlotte Street.

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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.

Councilwoman Mayfield moved for the adoption of the Consent Agenda. This motion was seconded by Vice-Mayor Wisler and carried unanimously.

III. PRESENTATIONS & REPORTS:

A. STORMWATER ANNUAL REPORT

Stormwater Services Manager McCray Coates provided Council with an update on the Stormwater program and the projects included in the 10-Year Capital Improvement Plan.

Following the record breaking rainfall year of 2013, staff has continued to receive concerns from citizens related to stormwater issues. Staff has produced an annual report of projects which the stormwater utility has been working on over the past year. This is a detailed report that identifies larger scale projects such as the Craven Street Improvement project which targets stormwater control measures such as pervious parking, a stream restoration, a constructed wetland and several rain gardens; to projects that are re-establishing a ditch along a neighborhood street. The report also identifies the various partners that the Stormwater Division is working with. The report gives an update on the status of the current neighborhood projects such as the Westover Project which is nearing completion, and the Morris Street stormwater improvement project which is in the easement acquisition stage and a contract is anticipated to be let for construction later this summer. Also included is the larger flood mitigation project partnering with the Corps of Engineers along the Swannanoa River.

Staff has also entered into a contract with Brown and Caldwell to perform a city wide stormwater assessment and develop a 10-year capital improvement projects (CIP) list which will guide the program moving forward related to larger capital projects.

In order to get accurate information, Brown and Caldwell has conducted an assessment of the City's drainage system. This assessment has identified potential issues, provided concepts toward solutions to these issues and has prepared a 10-year Capital Improvement Plan. The CIP plan prioritized projects for future implementation.

As this CIP list has been developed, consideration to many important factors have been considered including the age and material type of the infrastructure, the proximity to critical infrastructure (hospitals, schools, power supply substations, etc), proximity to private infrastructure, roadway flooding issues, drainage structure size, drainage area impacted, green infrastructure opportunities and partnership opportunities. Part of the scope of services from the consultant is to develop a decision matrix that staff can utilize as situations change within projects which may shift priorities. This is key as partnership opportunities may arise and infrastructure issues may worsen.

The recommended multi-year capital improvement plan and the associated projects included in this report will come to Council as part of the annual budget process. Projects would potentially be funded with a mixture of pay-as-you-go contributions from the Stormwater Operating Fund and the issuance of long-term debt, either limited obligation bonds (LOBs) or revenue bonds. Debt service on any bond issuances would be funded with revenue from the stormwater fee.

The City has a goal to continue to be stewards of the environment. Through this assessment, Brown and Caldwell will also assist in identifying and prioritizing watersheds for further studies. The team has identified opportunities to implement green infrastructure practices into the projects selected and opportunities for localized flood mitigation projects. Localized flooding is a rising concern for the citizens of Asheville.

Mr. Carl McDonald, Project Manager for Brown and Caldwell, reviewed with Council the 10-Year CIP projects and their locations.

Mr. Coates and Mr. McDonald responded to various questions/comments from Council.

IV. PUBLIC HEARINGS:

A. PUBLIC HEARING TO CONSIDER REZONING PROPERTY LOCATED AT 9999 LOOKOUT DRIVE FROM RS-4 RESIDENTIAL SINGLE-FAMILY MEDIUM DENSITY DISTRICT TO RS-8 RESIDENTIAL SINGLE-FAMILY HIGH DENSITY DISTRICT

ORDINANCE NO. 4511 - ORDINANCE TO REZONE PROPERTY LOCATED AT 9999 LOOKOUT DRIVE FROM RS-4 RESIDENTIAL SINGLE-FAMILY MEDIUM DENSITY DISTRICT TO RS-8 RESIDENTIAL SINGLE-FAMILY HIGH DENSITY DISTRICT

Urban Planner Vaidila Satvika said that this is the consideration of an ordinance to rezone property located at 99999 Lookout Drive from RS-4 Residential Single-Family Medium Density District to RS-8 Residential Single-Family High Density District. This public hearing was advertised on June 17 and 24, 2016.

The area of the subject property is approximately 0.13 acres, measuring 60 feet wide along Lookout Drive, and 100 feet long. The lot is currently vacant and is a legally established

nonconforming lot based on the development standards of the Residential Medium Density Single-Family (RS4) zoning district. Historically, the lot was part of a larger Hy-Vu Terrace subdivision that established 34 parcels on this block, which is reflected in the Office of the Register of Deeds for Buncombe County in Plat Book 10, at Page 110.

The applicant has requested a standard rezoning from Residential Medium Density Single-Family (RS4) zoning district to Residential High Density Single-Family (RS8) zoning district.

The subject lot measures 5,662 square feet in area and is approximately 60 feet wide, which is a dimension that is much closer to the standards for RS8 than those of RS4, which require a minimum area of 10,000 square feet and a lot width of at least 80 feet.

Rezoning to RS8 would bring the parcel into dimensional conformity because it would then meet the minimum lot requirements, which include a 5000 square foot area minimum and minimum width of fifty feet. No subdivision would be permitted under the proposed rezoning. The biggest impact would be that the front and rear setbacks would go from 25 to 15 feet, and side setbacks would be reduced from 10 to 6 feet. The applicant would be allowed to build a home 10 feet closer to the street.

Considering this parcel is immediately adjacent to RS8, staff believes that RS8 would be a more appropriate zoning designation.

The Asheville City Development Plan 2025 encourages compatible “adaptive reuse, redevelopment and infill development” and states, “areas within the existing urban fabric that are vacant should be targeted for compatible infill development that takes advantage of existing infrastructure”. Staff feels this rezoning would be compatible with the goals of the Comprehensive Plan.

This action aligns with the 2036 Council Vision in the following area: *A Well-Planned and Livable Community* – the proposed rezoning promotes thoughtful resident-led planning that will result in infill development that is compatible with the goals of the Comprehensive Plan.

Considerations

- Rezoning would reduce front and rear setbacks from 25 to 15 feet and side setbacks from 10 to 6 feet
- The lot size would become a parcel that is conforming to RS8 zoning district standards

Based on the above findings and the analysis provided in the report, staff finds this request to rezone 99999 Lookout Drive from RS4 to RS8 to be appropriate and consistent with the context of the neighborhood and broader city goals.

Mayor Manheimer opened the public hearing at 5:29 p.m., and when no one spoke, she closed the public hearing at 5:29 p.m.

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

Councilman Bothwell moved to approve the zoning map amendment from RS-4 Residential Medium Density Single-Family zoning district to RS-8 Residential High Density Single-Family zoning district 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: (1) the zoning change will encourage the adaptive reuse of vacant property; and (2) promote compatible infill development within the urban fabric of the city by establishing a conforming residential lot. This motion was seconded by Councilman Haynes and carried unanimously.

B. PUBLIC HEARING TO CONSIDER A CONDITIONAL USE PERMIT FOR PROPERTY LOCATED AT 1401 TUNNEL ROAD FOR THE CONSTRUCTION OF A SIX-STORY, 88-UNIT VETERAN HOUSING DEVELOPMENT

City Clerk Burlison administered the oath to anyone who anticipated speaking on this matter.

City Attorney Currin reviewed with Council the conditional use process which is a quasi-judicial permit hearing. At this public hearing, all the testimony needs to be sworn and due process protections afforded to the applicant.

Principal Planner Shannon Tuch submitted into the record City Exhibit 1 (Affidavit of Publication), City Exhibit 2 (Certification of Mailing of Notice to Property Owners); and City Exhibit 3 (Staff Report).

She said that the applicant Asheville Buncombe County Christian Ministries (ABCCM) is requesting review of site plans for the construction of a six story, 50,150 square foot apartment building supporting 88 multi-family units, along with related parking and other site improvements. This project is considered a Level III review pursuant to Section 7-5-9(a) of the city's Unified Development Ordinance (UDO), which designates a Level III review for projects with more than 50 residential units (Attachment to City Exhibit 3 - Location Map). Level III projects are reviewed as Conditional Use Permits.

The project is located on a single parcel located at 1401 Tunnel Rd. in east Asheville, PIN 9668-94-7987. The project site is 4.54 acres and is zoned River. The Swannanoa River borders the property on the southern and eastern sides with the river's regulated floodway and floodplain occupying a significant portion of the property on these sides. The property has mild to moderate topography and slopes downward towards the river.

The proposed project includes the construction of a new six-story, multi-family structure that would house 88 new dwelling units (Attachments to City Exhibit 3 - Aerial Map; Site Plan; Building Elevation; and Exterior Elevations). The first and sixth floors will not contain any residential units with the first floor including structured parking and some residential amenities such as laundry, bathrooms, mailboxes, etc.; the sixth floor will contain meeting space and a service kitchen; and floors two through five will contain a mix of studio and two-bedroom units. The building is proposed to be constructed in two phases with the northern module to be constructed first. There is an existing single story brick building that will be demolished before the construction of Phase II. In addition to the building, a small parking lot, access drive and minor landscaping are also proposed. The property owner/developer also owns and operates the existing veteran housing located at 1329 Tunnel Rd. which abuts the subject property along the southwest side. Internal access between the properties will be provided along this shared property boundary.

The project is unique in that it proposes to use cross-laminated timber (CLT) construction for this project. While new to the United States market, CLT is generally regarded as a sustainable building material with numerous benefits including: solid construction using a sustainable raw material, short construction times and efficiency through pre-fabrication, space gain and low thermal conductivity.

There are currently two access points to the property from Tunnel Rd. The easternmost entrance will be closed with the construction of Phase I while the westernmost entrance will be maintained and become the primary entrance to the property. The existing veterans housing property located to the west of the subject property also has two well-marked entrances that may be used to access 1401 Tunnel Rd. through an internal cross-connection between the parcels.

Pedestrian access is also provided with an existing five-foot public sidewalk along the property frontage and internal sidewalks as required for accessibility.

The property provides housing for low income individuals and the UDO uniquely calculates the off-street parking requirement with a min/max requirement of one to two spaces per unit regardless of the number of bedrooms. As a result, the proposed 88 units would require a minimum of 88 parking spaces and be allowed a maximum of 176 spaces. The new construction will provide 34 new parking spaces, 22 of which are structured parking and 12 are surface parking. The remaining 54 spaces will be shared with the existing veteran housing development to the west. When combined, the two projects will provide 206 parking spaces in total meeting the minimum requirement for 200 low income, residential units (112 existing, 88 proposed). This project and the existing property are also eligible for a 20% reduction in parking per UDO Sec. 7-8-19(f)(9).

Landscaping for the new construction will be required and includes street trees, parking lot, building impact and tree save landscape requirements. The proposed site plans show compliance, or the ability to comply, with all required landscaping.

Open space is also required for this project and is classified as a "Suburban" development and requires 15% of the lot area to be set aside for open space with this project supplying open space well in excess of the minimum required.

The subject property is zoned River which has more robust setbacks and landscape requirements for the project. A flood permit is also required although the structure will be placed entirely outside of both the 100 and 500-year regulatory flood hazard areas exceeding the regulatory requirements.

The site is currently zoned River (RV) and the use proposed is permitted by-right and the applicant will meet the standards of the District with this development proposal. The surrounding properties on the south side of Tunnel Rd. are similarly zoned River and the majority of the property across Tunnel Rd. is zoned Highway Business (HB).

This proposal was approved with conditions by the Technical Review Committee (TRC) on May 16, 2016, and requires a quasi-judicial review by City Council and a Final TRC review prior to final zoning approval or the issuance of any permits.

The Planning and Zoning Commission also reviewed and approved the proposal (7:0) at their June 1, 2016, meeting. One member of the public requested consideration of a "net zero" carbon footprint associated with building for the project.

Section 7-16-2(c) of the Unified Development Ordinance (UDO) states that Asheville City Council shall not approve the conditional use application and site plan unless and until it makes certain findings based on the evidence and the testimony received at the public hearing or otherwise appearing in the record of the case. The applicant has provided a statement on these findings.

Staff finds that the relevant standards of the City have been met or can be met with this application.

Mr. Crawford Murphy, architect and representative of ABCCM, said that the building is a much needed facility for veterans. He explained that the building is vertical due to the topography (floodplain) of the site, and the economy of the use of the cross-laminated timber for construction. He explained the unique structure. He was also pleased to note that every public space meets all Americans with Disability standards. He asked that the statement on how the project meets the seven conditional use standards be included as an attachment (Attachment to City Exhibit 3).

Mr. Murphy responded to Mayor Manheimer regarding the use of the CLT process and the advantages of its use; along with the reasoning behind the enclosed exterior staircase,

Mayor Manheimer opened the public hearing at 5:50 p.m., and when no one spoke, she closed the public hearing.

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

Councilman Smith moved to recommend approval of the conditional use permit for the ABCCM Veterans' Housing Project located as 1401 Tunnel Road because it meets the seven conditional use standards as demonstrated by the applicant. This motion was seconded by Councilman Bothwell and carried unanimously.

City Attorney Currin said that the Findings of Fact and Conclusions of Law will be placed on the July 26, 2016, agenda.

C. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO A PREVIOUSLY APPROVED CONDITIONAL ZONING ORDINANCE TO (1) REZONE PORTIONS OF THE PROPERTY AT 311 AND 315 OLD HAW CREEK ROAD FROM INSTITUTIONAL DISTRICT/CONDITIONAL ZONING TO RS-4 RESIDENTIAL SINGLE-FAMILY MEDIUM DENSITY DISTRICT, RS-4/CZ RESIDENTIAL SINGLE-FAMILY MEDIUM DENSITY DISTRICT/CONDITIONAL ZONING, AND INSTITUTIONAL DISTRICT/CONDITIONAL ZONING; (2) MODIFY THE SITE PLAN AND PROPOSED USES TO REMOVE STUDENT HOUSING FROM THE PROJECT PLAN; AND (3) ALLOW CONDITIONS TO REDUCE SETBACKS, PROVIDE SIDEWALKS AND ALLOW PARKING WITHIN A PROPERTY LINE BUFFER

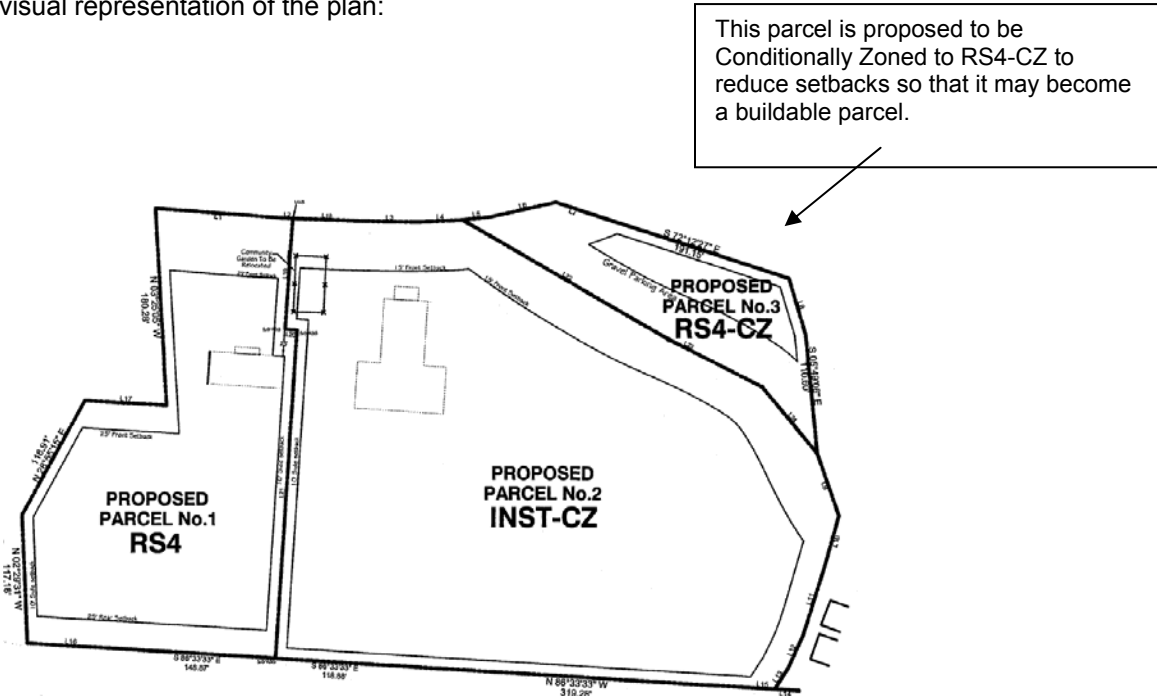
ORDINANCE NO. 4512 - ORDINANCE TO AMEND A PREVIOUSLY APPROVED CONDITIONAL ZONING ORDINANCE TO (1) REZONE PORTIONS OF THE PROPERTY AT 311 AND 315 OLD HAW CREEK ROAD FROM INSTITUTIONAL DISTRICT/CONDITIONAL ZONING TO RS-4 RESIDENTIAL SINGLE-FAMILY MEDIUM DENSITY DISTRICT, RS-4/CZ RESIDENTIAL SINGLE-FAMILY MEDIUM DENSITY DISTRICT/CONDITIONAL ZONING, AND INSTITUTIONAL DISTRICT/CONDITIONAL ZONING; (2) MODIFY THE SITE PLAN AND PROPOSED USES TO REMOVE STUDENT HOUSING FROM THE PROJECT PLAN; AND (3) ALLOW CONDITIONS TO REDUCE SETBACKS, PROVIDE SIDEWALKS AND ALLOW PARKING WITHIN A PROPERTY LINE BUFFER

Urban Planner Vaidila Satvika said that this is the consideration of an ordinance to amend a previously approved conditional zoning ordinance to (1) rezone portions of the property at 311 and 315 Old Haw Creek Road from Institutional District/Conditional Zoning to RS-4 Residential Single-Family Medium Density District, RS/4/CZ Residential Single-Family Medium Density District/Conditional Zoning, and Institutional District/Conditional Zoning; (2) modify the site plan and proposed uses to remove student housing from the project plan; and (3) allow conditions to reduce setbacks, provide sidewalks and allow parking within a property line buffer. This public hearing was advertised on June 17 and 24, 2016.

In accordance with Section 7-7-8 of the City's Unified Development Ordinance (UDO), the applicant is requesting review of a conditional zoning amendment to revise the site plan and associated conditions of Ordinance 4449, a conditional zoning ordinance that was adopted by City Council on September 8, 2015.

The project area consists of a single 6.16-acre parcel located at 311 & 315 Old Haw Creek Road with secondary frontage along Bethesda Road. The parcel is zoned Institutional – Conditional Zone (INST-CZ) and contains a church and minister’s parsonage, and a cemetery that measures nearly 69,000 square feet, occupying one quarter of the property. The site is primarily surrounded by residential uses. The site is immediately north and adjacent to Haw Creek Elementary School, a school of approximately 410 students in grades kindergarten through fifth.

The applicant is seeking to amend a site plan primarily to remove student housing from the proposed uses and site plan, to rezone the portion of land at the parsonage back to RS4, and to rezone the portion of land north of Bethesda Road to RS4-CZ in order to subsequently subdivide those portions of property for future residential construction. See diagram below for a visual representation of the plan:



Access to the property is from either Old Haw Creek Road or Bethesda Road. There will be two parking areas, one accessed from Old Haw Creek Road, the other from Bethesda Road. The third parking area to the rear of the property where the tiny homes were previously proposed has been removed.

There are currently 35 parking spaces on the premises. Based on the mix of uses and the expected overlap, the project requires 31 spaces but will provide 36 parking spaces including two accessible spaces. Bike parking will be provided.

Along the street, a new sidewalk measuring at least five feet wide is proposed along the length of the church property adjacent to Old Haw Creek Road and Bethesda Road. A sidewalk will also be provided south along the cemetery through the property to make it easier for visitors to access the cemetery and to provide a direct connection to support school drop off and pickups.

The site is along the ART bus route E2 with a bus stop across the street from the site.

Landscaping is required for this project including street trees, parking lot landscaping, street buffer, building impact landscaping, and a property line buffer.

The open space requirement is 15% of the lot area for the proposed INST-CZ parcel,

which totals 0.59 acres of open space and more than two acres of open space will be provided - the project is providing more open space than was previously approved.

The INST-CZ parcel will provide a 30-foot-wide property line Type B buffer along the western and southern property line. The applicant is requesting modifications to the property line buffer to permit the existing driveway to be located along the approved property line buffer that will now be located between the church and the residentially-zoned parsonage parcel. The modification would place the same number of plantings but they would be dispersed throughout the property line buffer. The proposed alternative compliance is detailed below.

Conditions Relating to Development Standards:

1. Sec. 7-11-3(d): *Prohibitions in a buffer.* Parking Areas; Driveways or drive aisles, other than approved openings, are specifically prohibited from encroaching into required buffer areas.
 - a. The same number of trees and shrubs will be planted within the property line buffer but will be disbursed throughout the area.

This project was reviewed earlier as a Conditional Zoning that was approved by City Council on September 8, 2015. Conditional Zoning amendments are not required to be reviewed by TRC per UDO Section 7-7-8(c)(6) but are required to be approved by City Council.

We have received one letter in opposition to the proposal from the property owner adjacent to the portion of land that is requesting reduced setbacks. The letter states that the parcel should not have setbacks reduced because it is buildable without modified setbacks. Although this is technically true, it would limit the location of the home to one spot, restrict its shape, and it would make the inclusion of a garage and/or accessory structures challenging if not viable.

The site was rezoned from RS-4 to INST-CZ on September 8, 2015. The site is surrounded by residential properties zoned RS-4, most of which are single-family residential. There is a pocket of RM-6 zoning to the north of the site, which is mostly used as a place of worship.

The requested amendment calls for the currently-zoned INST-CZ district to be rezoned into three parts: RS4 (1.65 acres), RS4-CZ (0.56 acres), and INST-CZ (3.95 acres). The RS4 zoning would bring the land under the parsonage back to its earlier zoning. The church would continue to be zoned INST-CZ, with no changes to the proposed uses (See B.1 Conditions list). The portion of land to the north of Bethesda Road would be rezoned to RS4-CZ in order to allow reduced setbacks to create a buildable parcel. The setbacks on that parcel would be as follows:

- The front setback (along Bethesda Road) will be reduced from 25 feet to 15 feet
- The corner setback (along Old Haw Creek Road) will be compliant with RS4 zoning, which is 50% of the standard front setback: 12.5 feet
- The rear setback would be reduced from 25 feet to 10 feet
- The side setback will be compliant with RS4 zoning: 10 feet

The proposal calls for changes to the site plan that will have a lower overall impact than previously proposed, with exception to the reduced setbacks on the portion of land between Old Haw Creek Road and Bethesda Road, which would allow a home to be placed closer to the property line than is permitted in RS4. In order to convert that long and narrow portion of land into a fully viable residential parcel, the reduced setbacks seem to be a reasonable condition.

Student housing will be provided off site and the newly-created residentially-zoned land will subsequently provide needed long-term housing. Overall, the amendment will have fewer negative impacts on the neighborhood than the previously adopted proposal.

The proposal complies with policies adopted by the City. As stated in the *City Development Plan 2025*, reusing older buildings is “the most sustainable construction” and helps to preserve and protect neighborhood vitality.

This action aligns with the 2036 Council Vision in the following areas: (1) *A Well-Planned and Livable Community* – the proposed rezoning promotes thoughtful resident-led planning that will result in infill development that is compatible with the goals of the Comprehensive Plan; and (2) *A Connected and Engaged Community* – the proposed rezoning provides co-working spaces that bring community members together to share a work environment.

Considerations:

- Student housing is removed from the site plan and proposed uses
- Conditions will allow two lots to be rezoned to RS4 and RS4-CZ and to be subsequently subdivided for residential purposes as permitted in the underlying zoning district
- Associated site work and grading will be reduced

Staff recommends approval of the proposed conditional zoning amendment to remove student housing from the project and to rezone portions of the property to RS4, RS4-CZ, and INST-CZ because the plan is consistent with the earlier proposal and will have fewer negative impacts. This recommendation includes approval of the property line buffer modification as described above and specified on the conditions list.

In response to Councilwoman Mayfield, Mr. Satvika explained that the setbacks for the RS-4/CZ portion is to allow the developer more area to build a home and possibly a permitted accessory structure.

When Councilwoman Mayfield asked if the setback might be reduced in a different way, Mr. Sean Rice, contractor for Haw Creek Commons, said that they requested the setbacks because of the odd shape of the lot. He was agreeable to reducing their requested rear setback from 10 feet to 15 feet.

Mayor Manheimer opened the public hearing at 5:59 p.m., and when no one spoke, she closed the public hearing at 5:59 p.m.

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

Vice-Mayor Wisler moved to approve the conditional zoning amendment request for Haw Creek Commons at 311 & 315 Old Haw Creek Road, to amend the zoning of the property from Institutional District – Conditional Zone (INST-CZ) to Institutional District – Conditional Zone (INST-CZ), Residential Single Family Medium Density (RS4), and Residential Single Family Medium Density– Conditional Zone (RS4-CZ) based on the revised site plan and conditions list (with the conditions amended that the rear setback be 15 feet) and 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) The development is existing and was deemed appropriate through the 2015 conditional zoning process; (2) by removing student housing and associated tiny homes from the project plan, the proposed plan will be less impactful on the land and on the neighborhood than the earlier proposal. This motion was seconded by Councilwoman Mayfield and carried unanimously.

ORDINANCE BOOK NO. 30 - PAGE 366

D. PUBLIC HEARING TO CONSIDER CONDITIONAL ZONING PROPERTY LOCATED AT 60 MILLS GAP ROAD FROM INDUSTRIAL DISTRICT TO

HIGHWAY BUSINESS DISTRICT/CONDITIONAL ZONING FOR THE DEVELOPMENT OF A 272 UNIT MULTI-FAMILY DEVELOPMENT

ORDINANCE NO. 4513 - ORDINANCE TO CONDITIONALLY ZONE PROPERTY LOCATED AT 60 MILLS GAP ROAD FROM INDUSTRIAL DISTRICT TO HIGHWAY BUSINESS DISTRICT/CONDITIONAL ZONING FOR THE DEVELOPMENT OF A 272 UNIT MULTI-FAMILY DEVELOPMENT

Mayor Manheimer said that on January 26, 2016, a motion was made to continue this public hearing, at the applicant's request, until April 26, 2016. On April 26, 2016, at the applicant's request, this public hearing was continued until June 14, 2016. On June 14, 2016, at the applicant's request, this public hearing was continued until this date.

Urban Planner Vaidila Satvika said that this is the consideration of a request to conditionally zone property located at 60 Mills Gap Road from Industrial District to Highway Business District/Conditional Zoning for the development of a 272 unit multi-family development on 15.3 acres. This public hearing was advertised on January 15 and 22, 2016.

The subject site is located at 60 Mills Gap Road (PIN 9655-35-7074) and measures 15.3 acres. The site is currently zoned IND. It was previously home to Plasticorp, a plastic injection molding company that closed its operations. The existing one-story, metal and brick building measures approximately 81,000 square feet. The building and related site features are proposed to be removed as part of the development application.

Adjacent zoning includes IND to the north, Commercial Industrial (CI) to the west and southwest, and High Density Multi-Family (RM16) to the southeast.

The applicant is seeking to construct a 272-unit multi-family development contained within two, four-story buildings, plus a clubhouse, for a total of 334,184 square feet. The buildings will have a height of 46 feet as measured to the highest roof peak. The total disturbed area for the residential project equals approximately seven acres. The applicant has agreed to set aside 15% of the dwelling units (41) as affordable units.

The affordable units will be provided at rental rates not to exceed 80% area median income (AMI) as published by the Affordable Housing Standards of the year the units become available. The developer has committed to providing the affordable units for a period of 15 years. Per Affordable Housing Standards, rent standards may be allowed to increase annually with any increases in AMI over the agreed-upon period but shall not be required to be decreased below the rates set for the year the project receives its certificate of occupancy.

Vehicular access to the site will be provided at both Sweeten Creek Road and Mills Gap Road. Sidewalks are proposed for Sweeten Creek Road and Mills Gap Road, which connect to internal pedestrian paths within the development to connect the buildings with parking areas and site amenities.

Parking will be provided for 401 vehicles, including 10 accessible spaces, as well as 20 bicycle spaces, which meets the parking requirements for the project.

The project is required to comply with requirements for street trees, parking lot landscaping, building impact, dumpster screening, tree save (4.6 acres) and open space areas. In total 270 trees and 724 shrubs will be planted. Tree save and open space proposed plantings will be refined as the applicant surveys the existing trees to determine tree credits.

Fifteen percent of the total lot area (2.3 acres) is required to be dedicated as open space, which will be met.

As per the City's Unified Development Ordinance (UDO) Section 7-7-8(d), a conditional zoning application shall be reviewed by the City's Technical Review Committee (TRC), and the Planning and Zoning Commission shall hold a public hearing to review the application and make a recommendation to City Council for approval or denial, or to continue the consideration in order to receive further information.

- This proposal was reviewed by the TRC and was approved with conditions on December 21, 2015.
- The project was reviewed by the Planning and Zoning Commission on November 19, 2015 and, after being continued,
- The project was reviewed again by the Planning and Zoning Commission on January 6, 2016 with changes to the original site plan. These changes included removal of the proposed commercial component of the project and the inclusion of affordable housing units. The Planning and Zoning Commission recommended approving the proposal (6-1) based partially on the project providing 20% affordable housing units for a period of 10 years.

In the six months since the P&Z Commission reviewed the project, the following has transpired:

- The applicant met with the community on two occasions to discuss the project
- The applicant has changed the proposed affordability of units from 20% for 10 years to 15% for 15 years

The proposal requires a change in zoning due to the fact that the maximum residential density in the IND zoning district is two units per acre, which would result in only 31 units allowed on the subject site. The current proposal for 272 dwelling units on 15.3 acres requires a zoning district that allows at least 18 units per acre. The conditional zoning request to HB would allow 35 units per acre.

This site contains a nearly five acre area that is mostly flat where the previous plastics manufacturer operated, and which is essential for industrial operations in order to navigate trucks in, around and out of a facility. As such, the site is well suited for industrial purposes. In order to create more local jobs and to raise the area's average wage, it is important to protect key industrial parcels that will attract and serve future businesses that seek to expand or relocate to Asheville, such as advanced manufacturing, the sector with the largest capital investment according to the [Asheville 5x5 Plan](#), launched with support from the City of Asheville in 2010 in order to create more jobs and capital investment in the area.

From one perspective, rezoning the property for residential purposes would diminish the City's limited stock of viable industrial properties and would thereby move in a direction counter to the established public policy of the City to preserve industrial property for industrial purposes. A November 19, 2015, letter from the Economic Development Coalition (EDC) of Asheville-Buncombe County supports this point by acknowledging the importance of preserving viable industrial property when possible. Nevertheless, the EDC also expresses that the parcel in question is not best suited for national and global clients, citing expensive cost of land, population, and traffic concerns.

Staff has concerns that the existing infrastructure, in particular the roads and lack of sidewalks, as well as limited transit service, are not well suited for the proposed residential use of the subject property. The project's traffic impact study (TIS) states that the level of service for nearby intersections is problematic. The traffic impact study's conclusion states:

"... the study area is currently experiencing significant periods of congestion, delay and poor levels-of-service due to the recent significant residential and retail growth in the area

coupled with a roadway infrastructure (two-lane, two-way roadways along Mills Gap Road and Sweeten Creek Road) that is underdeveloped for the traffic volumes present.”

Since 2013, the City has permitted the construction of over 800 residential units within two miles of this project. Within one mile there are nearly 600 apartments that are currently in development that are not yet generating traffic. It should be noted that the city requirement for traffic impact studies mitigates the increase in traffic associated with the subject proposal only, and that the TIS associated with the project is not required to take into consideration the cumulative traffic associated with projects that are not yet constructed. As per UDO Section 7-11-6, previously approved projects that resulted in total peak hour trips equal to or greater than 100 peak hour trips were required to submit a TIS.

The TIS references two N.C. Dept. of Transportation (NC DOT) projects as potentials for mitigation, including the future widening of Sweeten Creek Road from two lanes to four lanes; however, these projects are not currently slated for construction until 2021 and 2022.

There are currently no sidewalks adjacent to or within the vicinity of the subject site. The applicant has proposed new sidewalks directly adjacent to the site and has proposed a new off-site sidewalk on Mills Gap Road, near the Norfolk Southern train tracks, which would connect to the existing sidewalk network between Sweeten Creek Road and Hendersonville Road. When completed, this sidewalk network would result in an approximately quarter mile walk between the subject site and the existing bus stop (S3 line) on Hendersonville Road. That bus service currently maintains a service frequency of about one and a half hours. Staff believes the vehicular-oriented and suburban nature of the surrounding area is not conducive to pedestrians. Furthermore, the planned widening of Sweeten Creek Road will result in additional lanes of traffic that pedestrians would have to traverse if walking toward Hendersonville Road.

This project deals with multiple, competing city goals, including the protection of scarce industrial property; the provision of affordable housing; and providing infill and adaptive reuse of property. The landscape of industrial operations has changed significantly in recent years and it is understandable that each parcel of industrial land may not be currently necessary for industrial purposes within current market conditions. Nevertheless, within the environment of the continued housing crisis, how are we to determine which industrial property to protect if every parcel is available for residential purposes?

Staff supports the production of more affordable housing units but believes there is an abundance of appropriately-zoned land for residential development that would not have the negative side effect of placing downward pressure on viable industrial land.

In December 2014, the City took a proactive step to protect scarce industrial property by down zoning Commercial Industrial (CI) districts to allow eight residential units per acre rather than 16. Although that Ordinance (No. 4374) increased residential densities in commercial areas for all other districts, it reduced the number of units by 50% for CI zoned properties in order to reduce housing market pressure on industrially-zoned land.

The City's Comprehensive Plan highlights that one of the main factors contributing to economic development becoming such a critical issue is the loss of land suitable for industrial purposes for other uses. The City's Smart Growth Land Use policies further emphasize this point by stating that industrially-zoned land should be reserved for industrial purposes. Further, the Sustainable Economic Development Strategic Plan (2000) notes the shortage of industrial sites within the City as an area of concern, stating that the City should seek to ensure the availability of suitable sites to meet the business needs of the City's future.

The Comprehensive Plan also encourages the construction of affordable housing that is compatible with existing neighborhoods and community development patterns. The Comprehensive Plan further encourages compatible, adaptive reuse for infill development.

Considerations:

- Rezoning Industrial land for residential purposes (272 units)
- 15% affordable units (41) provided for 15 years of affordability

Based on policies stated in the Comprehensive Plan and other plans, staff does not find this request to be reasonable or within the best public interest because there is other land available within districts that permit this scale of residential development without negatively impacting scarce industrial property; therefore, staff cannot recommend support of the proposed rezoning as proposed.

It should be noted that the Planning and Zoning Commission voted 6-1 to approve the proposal because it includes affordable units; the proposal is an adaptive reuse of a vacant property close to transit and other community services; and the developer will make traffic related improvements as a part of the project that will help to mitigate any potential traffic impacts related to the proposal. Planning and Zoning Commission meeting minutes and recommendation form are a part of this record.

Council may find that these benefits outweigh the concerns relating to the protection of industrial property and other noted concerns. The Comprehensive Plan supports (Goal III) and encourages transit supportive density along and adjacent to major corridors and at logical transit nodes and (Goal V) encourages the construction of affordable housing throughout the community. Likewise, Council's current 2036 Vision seeks affordable housing to be "transformed into a diverse mix of affordable and market rate homes within vibrant neighborhoods."

Mr. Satvika responded to Councilman Young when he questioned whether this parcel is viable industrial land. Mr. Satvika felt that even though the property may not be the best site for a multi-national national business, but there are plenty of Asheville-based businesses that are looking to expand.

In response to Councilman Young, Mr. Satvika said that residential development is allowed in a lot of other districts, not just residential.

Director of Planning & Urban Design Todd Okolichany noted that he was told that as early as 12 months ago the property was being used to store parts for a local industrial company.

Mr. W. Louis Bissette, Jr., attorney representing the developer, said that after holding two community meetings and listening to the neighborhood, the applicant has agreed to several conditions to lessen the impact on the neighborhood, specifically noting (1) preservation of large oak trees; (2) at least 15% of affordable units for a time period of not less than 15 years from the date of the issuance of the Certificate of Occupancy; and (3) a number of traffic enhancements, which shall be completed prior to the issuance of building permits. They have also agreed to the following two additional conditions raised by the neighborhood (1) construct an auxiliary right turn lane with at least 200 feet of storage along eastbound Mills Gap Road; and (2) the developer/owner will not begin work on the demolition of existing structures, infrastructure, or site work (including grading, utilities and stormwater) and proposed NC DOT road improvements until January 2017. At that time, that work, together with the proposed intersection improvements, will begin as the first phase of the project. Furthermore, the developer has agreed that the City will not be required to issue a building permit for any part of the actual housing of vertical construction until at least January 2018. These efforts will be coordinated with the NC DOT projects (Mills Gap Road Project and Sweeten Creek Road Project). He did not believe the area remains viable for industrial development. Most of the prior industrial uses in this general area have ended. This site has been for sale as an industrial property for a number of years with few, if any, indications of interest for that type of use. He clarified that the property was leased for three months (with no employees) for a storage facility for a company that is building a plant in Haywood County. He said that he has a letter from Mr. Ben Teague, Executive Director of the Economic Development

Coalition dated November 19, 2015, which states in part "I do not believe this property is not best suited for industrial development for the high standards of our national and global industrial clients. Furthermore, the cost to purchase the property and build another facility is far too expensive to accommodate industrial development. The current facility is the lowest quality and even if used would not attract significant job numbers or a pay rate which would advance our community. The density of population and traffic concerns surrounding the property are also a contributing complication which make shipping for a logistical hub difficult." He said that the City also has a housing crisis and this project can help alleviate that crisis by 272 units being added to the housing stock. He said that the developer has removed the commercial uses from the original project and added several traffic mitigation measures to the project. This project will not increase the severity of the current traffic situation. The project will provide an additional \$650,000 per year in ad valorem taxes for the City and County. In addition, environmental reviews and assessments reveal no evidence of recognized environmental conditions in connection with the property. He asked for Council's support.

Mr. Chris Day, engineer with Civil Design Concepts, explained the original project and after hearing community input how the project was revised. Removing the commercial components reduced traffic associated with the project by 40% in the morning peak hours and by 70% in the afternoon peak hours. The road improvements associated with this project are not designed to solve the current traffic problems, but designed to mitigate traffic associated with this project. He then briefly outlined the road improvements. The project also includes 450 feet of off-site sidewalk on Mills Gap Road across the railroad tracks to connect to the recently installed Palisades sidewalk on Mills Gap Road. Sidewalk/pedestrian crossing is subject to design standards of the railroad operator. The developer has committed to put in all the NC DOT traffic improvements on the front end of the project so that they would be in place prior to the building permit being pulled in 2018. Regarding the sidewalk that crosses the railroad, he has had numerous conversations with the railroad, and even though the railroad has said that they have no issue with allowing the developer to do that crossing, it is currently only a two-lane road that crosses the railroad tracks. Since one of the NC DOT Transportation Improvement Projects will widen that area, the developer wants to make sure that project is coordinated with the NC DOT plans and railroad. He asked that all work within the railroad right-of-way be coordinated with the NC DOT for proper design, installation and timing of that work.

Mr. Rusty Pulliam, developer of the proposed project, also explained why he felt this parcel is not a viable industrial site. Everything behind the parcel is zoned residential. The building has been vacant for 9 years and the current value is \$148,000. It is located 3.5 miles from I-26 but it is hard to get a tractor-trailer in and out of the site. He acknowledged that the neighborhood meetings were very beneficial in coming up with a revised plan, and stressed that this is the highest and best use of the property. He cited the need for housing stock and said he is setting a precedent of offering 15% affordable units for at least 15 years. He felt they have crafted the right project for this location and asked for Council's support.

Mr. Fred Caligiuri, managing partner for Mills Gap LLC, said that he bought the property in December of 2012 and paid \$1.3 Million (which was lower than the asking price since they closed it quicker). The listing price now is \$2.5 Million. The property is now under contract for sale now and conditioned upon this rezoning.

In response to Councilman Haynes, Mr. Caligiuri said that typically values for apartment use is in the range of \$8-10,000 per unit.

When Councilman Haynes was concerned that other developers would want to buy industrial land and request it to be rezoned because residential zoning would increase the value of the property. City Attorney Currin stated that Council would consider each zoning case on its own merit.

Mayor Manheimer opened the public hearing at 6:53 p.m.

The following individuals spoke in support of the conditional zoning for various reasons, some being, but are not limited to: affordable housing and housing stock is needed; needed housing for those that work in south Asheville; not a viable parcel for industrial use; additional tax base for the City; when it was an industrial plant, 300 employees would leave the plant at the same time in the evenings causing an extensive traffic back-up; will produce jobs during construction; and road improvements by this developer will help traffic:

Pastor Spencer Hardaway, Rock Hill Mission Baptist Church
Michael Woods, Executive Director of the Western Carolina Rescue Ministry
Carr Swicegood, resident on Cane Creek Road
Gloria Williams, resident on Mills Gap Road
Jim Andrews
Pat Deck, resident in Givens Estate
Scott Dedman, Executive Director of Mountain Housing Opportunities
One of the 400 residents who signed letter expressing concern
Ben Teague, Executive Director of Economic Development Coalition and Senior Vice-President of the Chamber of Commerce
John Spake, resident on Mills Gap Road
Scott Rogers, Executive Director of Asheville-Buncombe County Christian Ministry
Kenneth Williams, resident on Mills Gap Road

Mr. Vijay Kapoor, south Asheville resident & Business Community Organization, reviewed a PowerPoint, stating that their efforts throughout this process was to objectively analyze the proposal and ensure that the voices of South Asheville residents were heard. Over 400 individuals signed a letter expressing concern about this project at some time in the process (note: some residents' minds may have changed as the proposal itself changed; and many of these same residents emailed Planning & Zoning and City Council members about their concerns). They set up a group – South Asheville Resident & Business Community Organization – and a webpage that updated residents on the proposed project. On May 18, 2016, we held a residents-only town hall meeting to discuss the project. Based on feedback we received from the town hall meeting as well as conversations we have had with residents, it seems that most residents fall into the following three categories:

Group 1 - Not until Sweeten Creek Road is widened

- Some residents oppose the project because they do not believe that the current road infrastructure can support another apartment complex
 - Traffic routinely backs up at this intersection, particularly during the PM rush
- They point to the fact that South Asheville is in the midst of an apartment boom, with the full effects of that future traffic not yet felt, and that the Sweeten Creek Road and Mills Gap Road intersection is already over capacity
- They also note that a lot of undeveloped land along Sweeten Creek and Mills Gap Road can be developed by right with several parcels already for sale
- Most residents in this group do not appear to be opposed to apartments at that site *per se*, but do not believe that this is the right time for this project

Sweeten Creek Road Widening Timetable -Project #U-2801A

- Summer 2016 – External Scoping Meeting
 - Meeting purpose is to discuss purpose and need statement for project; public is not invited. City Transportation Department staff member will attend
- Fall 2016 – Public Meeting
- 2019 - Environmental Assessment (EA) Approval
- 2020 – Finding of No Significant Impact (FONSI) Approval

- A FONSI is issued when environmental analysis and interagency review during the EA process find a project to have no significant impact on the quality of the environment
- 2020 – Right of Way Acquisition
- 2022 – Construction (letting of contract)
- 2024 – *Assuming two years to complete construction*

Group 2 - Use site as Park or Community Center

- Another group of residents shares similar concerns to the first group, but would like to see the City acquire this parcel and place either a community center or a park on it
- They note that while the City overall has 54 parks and 11 community centers, South Asheville only has 2 parks and 1 community center

Group 3 - Permit Project, but Add Two Additional Conditions to Address Traffic

- While not excited about more development, a third group of residents feels that this site will not sit vacant and that a residential apartment complex would have a lower impact on traffic than other likely uses
 - Developers not affiliated with this project have told us that this site could be used for a shopping center or other retail/commercial uses which would create more traffic
- These residents would like to keep this corridor mostly residential given all the commercial activity on Hendersonville Road
- This group, however, has concerns that the developer's proposed improvements as agreed to at P&Z do not fully mitigate the increased traffic from the site and want the following two changes to the conditions approved at P&Z:
 - 1. Extend new right-hand turn lane on Mills Gap Road to have over 200 feet of storage, rather than initially proposed 100 feet
 - 2. Complete traffic improvements at beginning of project
- This group's rationale for its position is as follows:
 - The traffic improvements, particularly the addition of a new right hand turn lane on Mills Gap Road, should improve traffic flow at the intersection. We have little hope that NCDOT would make this improvement on its own
 - Given that this site will not sit vacant, an apartment complex which will not come on-line until 2020, would have a lower impact on traffic than other likely uses
 - Assuming that the NCDOT timeline holds, Sweeten Creek widening would be complete around 2024. The apartment complex would be complete in 2020, meaning that there would be approximately 4 years between the opening of the complex and the completion of the widening
 - The pedestrian amenities – particularly the signal heads/crosswalks and the extension of the sidewalk along Mills Gap Road across the railroad tracks – would likely not happen any time soon if NCDOT would have to make these improvements

In conclusion, he thanked Council Members, Planning & Zoning members, and City Staff for the significant assistance and time that they dedicated to this difficult issue. Regardless of the outcome, residents of South Asheville should know that their concerns were taken very seriously and that Council Members and City Staff went out of their way to listen. This process highlights the need for residents, the City, the County and NCDOT to address this intersection and infrastructure and comprehensive planning generally in the South Asheville area. This will become particularly important as planning for the Sweeten Creek Road widening project begins. A group of communities along the Sweeten Creek corridor has already organized into a group called the Sweeten Creek Association of Neighborhoods (SCAN)

The following individuals spoke in opposition of the conditional zoning for various reasons, some being, but are not limited to: opposition to 4-story buildings because it blocks mountain views; traffic and flooding concerns; request project be delayed until action completion of Sweeten Creek Road widening project;

Marlene Johnson, resident in Crowfields on Hendersonville Road
David Herbert, south Asheville resident

Mayor Manheimer closed the public hearing at 7:40 p.m.

In response to Councilman Haynes, Mr. Kapoor said that of the 400 people who signed a letter expressing concern about the project, he guessed approximately half have now changed their minds as the proposal changed and they understood the project more.

Councilman Young said that he recalled the tremendous opposition when this project was first presented; however, the applicant has met with the community in order to rectify some of their concerns and to mitigate some of their issues. This being an industrial parcel, it would seem that job creation would be a benefit; however, considering we need housing stock this area seems to be appropriate for residential. In addition, he felt this area is doing well in job creation itself.

Councilman Bothwell and Councilman Haynes both had concerns, but their concerns have been satisfied.

Councilwoman Mayfield felt this area is transitioning from industrial to residential. She felt this process is a great example of how an open-minded developer and open-minded community can make positive changes in development. She felt we all need to be watching the NC DOT projects to make sure they build what the City and the residents want.

Councilman Bothwell asked that the northeast corner of the property has mature trees and he hoped as many of them could be saved.

Mayor Manheimer agreed with Councilwoman Mayfield and hoped the City will be able to continue this zoning tool to help manage the growth of Asheville.

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

Councilman Young moved to approve the conditional zoning request from Industrial (IND) to Highway Business Conditional Zone (HB CZ) for the construction of a 272-unit multi-family development located at the intersection of Sweeten Creek Road and Mills Gap Road (with the revised conditions agreed upon by the developer and Group 3); and find that the request is reasonable, is in the public interest, and is consistent with the Comprehensive Plan and other adopted plans because the project (1) will provide necessary rental housing through the adaptive reuse of property for residential infill development, and (2) the developer will mitigate traffic congestion through infrastructure enhancements that will be completed before the issuance of the certificate of occupancy. This motion was seconded by Councilwoman Mayfield and carried unanimously.

ORDINANCE BOOK NO. 30 – PAGE 372

Closed Session

At 7:50 p.m., Councilman Young moved to go into closed session for the following reasons: (1) To prevent disclosure of information that is privileged and confidential, pursuant to the laws of North Carolina, or not considered a public record within the meaning of Chapter 132

of the General Statutes. The law that makes the information privileged and confidential is N.C. Gen. Stat. § 143-318.10(a)(3). The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(1); and (2) To consult with an attorney employed by the City about potential matters with respect to which the attorney-client privilege between the City and its attorney must be preserved. The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(3). This motion was seconded by Vice-Mayor Wisler and carried unanimously.

At 8:22 p.m., Councilman Bothwell moved to come out of closed session. This motion was seconded by Vice-Mayor Wisler and carried unanimously.

V. UNFINISHED BUSINESS:

VI. NEW BUSINESS:

A. RESOLUTION NO. 16-160 - RESOLUTION AUTHORIZING THE CITY MANAGER TO REJECT ALL PROPOSALS FOR THE MANAGEMENT OF THE DAILY OPERATION OF THE ASHEVILLE TRANSIT SYSTEM

RESOLUTION NO. 16-161 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXTEND THE MASS TRANSIT MANAGEMENT AGREEMENT WITH FIRST TRANSIT INC. ON A MONTH-TO-MONTH BASIS TO MANAGE THE OPERATION OF THE ASHEVILLE REDEFINES TRANSIT SYSTEM

Assistant City Attorney Cathy Ball said that this is the consideration of (1) a resolution authorizing the City Manager to reject all proposals for the management of the Asheville Transit System based on inadequacies and inconsistencies in the Request for Proposal (RFP) process; and (2) a resolution authorizing the City Manager to extend the current contract with First Transit on a month-to-month basis as needed to revise the RFP process.

Since North Carolina law prohibits municipalities from engaging in collective bargaining, the City of Asheville must hire a management company to operate the transit system. The management company is a party to a 13(c) Labor Agreement with the Amalgamated Transit Union Local 128 covering all hourly employees. A collective bargaining agreement between Transit Management of Asheville, a subsidiary of First Transit, Inc., and the ATU Local 128 is in place until January 31, 2017.

The three-year contract with First Transit expired on December 31, 2015. This contract was extended for six months and will expire on June 30, 2016. During the extension staff released a RFP with the intent to modify the conditions in the current management contract. A summary has been provided to City Council of the RFP Process. Both firms were deemed to have met requirements necessary to move forward for interviews by the evaluation committee. Based on interviews, the evaluation committee recommended First Transit. Subsequent updates were made at the Multimodal Transportation Advisory Committee (MMTC) and Transit Committee. The MMTC recommended selection of First Transit but revisited the topic at their next meeting and had concerns about its original vote. The Transit Committee recommended selection of McDonald Transit.

Concerns were raised about the RFP process. In response, the City Manager's Office and City Attorney's Office reviewed the RFP and selection process in consultation with the Federal Transit Administration (FTA). Specifically, the RFP process was unclear on what basis the award would be made and should be made based on the criteria specifically listed in RFP. Additionally, the interview scores should not have been completed separately but should have been combined with the proposal scores. In summary, the process utilized was not specifically stated in the RFP. This conclusion leads us to recommend rejection of all proposals. Additionally,

based on consultation with the FTA, we believe the most appropriate process to follow going forward is to redo the RFP process.

Transit management contract expenses are included in the FY 2016-17 budget.

Staff recommends Council consider (1) a resolution authorizing the City Manager to reject all proposals for the management of the Asheville Transit System based on inadequacies and inconsistencies in the Request for Proposal (RFP) process; and (2) a resolution authorizing the City Manager to extend the current contract with First Transit on a month-to-month basis as needed to revise the RFP process.

In response to Ms. Diane Allen, City Manager Jackson explained that his office, with assistance of the City Attorney's Office will take direct involvement in this process. They will clear about the criteria and stick to that criteria. They will complete the process as quickly as possible, but at least a minimum of 4-6 months. The first thing they need to do is prioritize getting it right in order to take away any opportunities for legal objections to the award when it comes back to Council.

Assistant City Manager Ball said that a revised RFP will be sent out as a result of the guidance received by the FTA. It will be revised to be in compliance. We will have to be very clear about how we will go about awarding it.

City Manager Jackson said that all stakeholders will see communication giving our understanding of how the process should be run, based upon concurrence of the FTA. With that they will be able to describe how the process will be structured and should have an expectation of steps and a timeline.

Amy Cantrell, representing Just Economics, stated that they want a management company that operates in the best interest of riders, drivers and the City of Asheville. She hoped there would be some way to include the input of folks that have on-the-ground experience into the process.

Councilman Bothwell moved to adopt Resolution No. 16-160 authorizing the City Manager to reject all proposals for the management of the Asheville Transit System received from the RFP process. This motion was seconded by Councilwoman Mayfield and carried unanimously.

RESOLUTION BOOK NO. 38 - PAGE 105

Councilman Bothwell moved to adopt Resolution No. 16-161, authorizing the City Manager to extend the current contract with First Transit on a month-to-month basis as needed to revise the RFP process. This motion was seconded by Councilman Young and carried unanimously.

RESOLUTION BOOK NO. 38 - PAGE 106

B. RESOLUTION NO. 16-159 - RESOLUTION APPOINTING A MEMBER TO THE WNC REGIONAL AIR QUALITY AGENCY

Vice-Mayor Wisler, Chair of the Boards & Commissions Committee, said that the term of Loyd Kirk, as a member of the WNC Regional Air Quality Agency, expires on July 1, 2016.

The following individuals applied for a vacancy: Robert Lane and Joel Storrow. On June 14, 2016, City Council asked the City Clerk to arrange interviews for both candidates.

After speaking highly of both candidates, Robert Lane received 3 votes and Joel Storrow received 4 votes. Therefore, Joel Storrow was appointed to serve as a member of the WNC Regional Air Quality Agency, to serve a six-year term, term to expire July 1, 2022, or until his successor has been appointed.

RESOLUTION BOOK NO. 38 – PAGE 104

C. RESOLUTION NO. 16-162 - RESOLUTION APPOINTMENT MEMBERS TO THE ACCESSORY DWELLING UNIT TASK FORCE

Vice-Mayor Wisler said that there will be approximately eight at-large Task Force seats to be filled by members of the community. The City intends to distribute those seats evenly among:

- Concerned neighbors who are impacted by the ADU short-term rentals
- Members of the community who own, manage or benefit from such rentals
- Renters
- Neutral but interested individuals

There will be four other seats filled by representatives from the following stakeholder groups:

- Asheville Short-Term Rental Advocates
- Asheville Neighborhood Advisory Committee
- Land of the Sky Association of Realtors
- Asheville Affordable Housing Advisory Committee

The following individuals applied for one of the eight at-large seats on the ADU Task Force: Nan Chase, Sarah Nie, John Farquhar, David Raphael Smith, Lisa Nanney, Brenda L. Crawford, Kama Ward, Jackson Tierney, Wendy Dean, Andrew Pardue, Alan Escovitz, Marian Patten, George Kroncke, Jane Mathews, Brandee Boggs, David Rodgers, Robert Michel, Maggie Smith, Carter Webb, Greta Bush, Terry Guthrie, Jennifer Woodward, Rachel Larson, Philip Lenowitz, Barber Melton, Israel Hill, Patrick Conant, Amy Kemp, Chip Craig, Kelly Prime, Randall Barnett and Nick King.

It was the recommendation of the Governance Committee, and consensus of Council to appoint Jane Mathews, David Rodgers, John Farquhar, Jackson Tierney, Israel Hill, Kelly Prime, Wendy Dean and Carter Webb.

In addition, it was the recommendation of the Governance Committee and consensus of Council to appoint (1) Kama Ward to represent the Asheville Short-Term Rental Advocates; (2) Greta Bush to represent the Asheville Neighborhood Advisory Committee; (3) Randall Barnett to represent the Land of the Sky Association of Realtors; and Barber Melton to represent the Asheville Affordable Housing Advisory Committee.

RESOLUTION BOOK NO. 38 - PAGE 107

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 8:41 p.m.

CITY CLERK

MAYOR