

Tuesday – March 14, 2017 - 3:00 p.m.

Budget Worksession

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

Director of Finance and Management Services Barbara Whitehorn used a PowerPoint while she provided the Council with a brief discussion of the revaluation, building a budget, operating budget, and capital budget.

Regarding property revaluation, the City-wide increase is between 25-30%. The current revenue neutral estimate is 39.5 cents, not including the General Obligation Bonds. The current rate is 47.5 cents.

In building the base budget, it assumes revenue neutral tax rate, growth in revenue, increasing cost and continuation budget (no significant operational changes).

As of December 31, 2016, the Fiscal Year 2016-17 performance is (1) revenue performing about 4% ahead of budget (sales tax 8% over prior year; and forecast \$600,000 over budgeted revenue); and (2) expenditures at 44% of budget (forecast 99% of budgeted expenditures; and \$1 Million savings). The estimated forecast of increase to Fund Balance is \$1.6 Million.

Regarding revenues, licenses and permits are down 10%; sales tax receipts are +5-7%; and property tax receipts are +2.4%. Regarding expenditures, health insurance is \$600,000; compensation (general increase, public safety steps) is \$1.75 Million; and transit (full year service improvements) is \$267,000.

Possible budget priorities which will require adjustments to the base include Transit Master Plan, Energy Innovation Task Force (energy study; weatherization program); downtown safety; Facilities Master Plan; and downtown sanitation improvements.

Regarding the existing 5-Year Capital Improvement Plan, pressures include construction costs, right-of-way costs and utility relocation. Opportunities include value engineering, cost management/re-scope projects to fit budget, pursue state and federal grant funding, and evaluation of Capital Improvement Plan scheduling.

Ms. Whitehorn then reviewed the Capital Program planning and implementation; along with General Obligation Bond information.

All-in Revenue Neutral is 25-30% revaluation increase; 3.5-cent General Obligation Bonds; and Revenue Neutral with Bonds: 39.5-cents + 3.5-cents = 43.0-cents. The opportunity would be the current property tax rate is 47.5-cents; all-in revenue neutral rate of 43.0-cents; and remaining 4.5-cents = \$6.28 Million.

The budget forecast is (1) planning for Council priorities and commitments; (2) community input; (3) operational needs and serve improvements; and (4) capital investment decisions (a) construction cost increases; and (b) developing needs.

Throughout Ms. Whitehorn's presentation and discussion, she responded to various questions/comments from Council, and those which could not be readily responded to would be

provided to Council in either a memorandum format at or prior to the March 28 worksession. Some questions raised and information requested include: has staff taken into consideration in this budget of the federal government talking about increasing interest rates; has staff taken into consideration the sales tax reallocation bill reintroduced again; has this budget planned for the possibilities of Community Development Block Grant and HOME funds being eliminated and question on how far is Council willing to go to backfill any lost funds; request for information on our Fund Balance and what kind of one-time funds would be available; does the continuation budget include pay increases for staff and request for more information about those increases; do we have any information on the proposed County tax rate; how much of the \$3 Million of improvements can the Transportation Department implement in one year; request to see the breakdown and timing of the \$3 Million for transit; does the continuation budget absorb the new transit management contract; who sets the school tax rate; information on the federal reduction of funds for transit over the next three years; request for information about public safety - status quo, needs and price tag; request to see numbers on the downtown APD unit; are the River Arts District Transportation Improvement Plan funds secure; reasons why crime increase in downtown and if it involves locals or guests so we can understand the need; request for detailed map of downtown showing high crime area and the time of day of the crimes; request for more information on the Facilities Master Plan, and downtown sanitation improvements; and information on when the Facilities Master Plan analysis is being performed in the buildings, whether a review of the energy efficiency of that building could be folded into the scope of work and if so, the increase in cost.

Councilwoman Mayfield presented draft recommendations from the Energy Innovation Task Force that leverage existing resources and effectively address both peak and overall energy demand in Buncombe County. The initial investment requested is meant to be a first step in further development and implementation of a two-year work plan. The existing City goals from the County-approved clean energy framework totals \$60,000. New programs or projects total \$1,160,000, with the investments in existing programs that provide low income weatherization to city homes being \$1 Million. She asked for Council to include some or all of these recommendations in the budget. She asked for a commitment on the overall policy objective in moving forward with energy as a priority and making investments that way. Buncombe County is developing their own set of recommendations, which focus is around institutions and structures. Her thought is the City should be focused on people's lives and saving people money.

Mayor Manheimer was not comfortable in supporting anything over a tax rate of revenue neutral plus the GO bond tax increase.

Councilman Young could support the weatherization program; however, his main concerns are transit and affordable housing.

Mayor Manheimer said that she will need to see other recommendations and priorities for next year and then determine what they can realistically move forward with.

Councilman Smith wanted to approach the budget with caution due to the uncertainties of the federal and state budgets and the revaluation.

Councilman Bothwell said that the Tree Commission is requesting \$25,000 to begin a canopy study and a Tree Master Plan, which is stipulated in the Unified Development Ordinance but has not been implemented. Also, Homeward Bound will be sending a proposal to the Housing & Community Development Committee for \$150,000 to provide afternoon programming 365 days a year.

Mayor Manheimer said that when Council looks at the Capital Improvement Plan budget, she wanted to make sure to preserve the funds we set aside for Lee Walker and to preserve funding for the choice of improvements to swimming pools. She also wanted to make sure that we are careful in prioritizing our Capital Improvement Plan due to the increase cost of

construction. She would be open to staff being flexible with the timeline and re-prioritizing those projects.

Regarding the Capital Improvement Plan budget, Vice-Mayor Wisler would prefer that Council see what is currently budgeted and that staff highlight what we are seeing as potential cost increases. She also preferred that staff not rearrange the timing without Council's input.

Ms. Whitehorn said that staff will bring Council the 5-Year Capital Improvement Plan with cost pressures and models on how projects might be re-arranged.

Ms. Whitehorn then reviewed the upcoming dates associated with adoption of the budget, with the next worksession on the operating budget being on March 28, 2017; the worksession on the capital budget on April 11, 2017; the City Manager's proposed budget presentation to City Council on May 9, 2017; the Fiscal Year 2017-18 budget public hearing on May 23, 2017, and the budget adoption on June 13, 2017.

At 4:01 p.m., Mayor Manheimer adjourned the worksession.

Tuesday – March 14, 2017 - 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 Deputy City Clerk Sarah Terwilliger

Absent: None

PLEDGE OF ALLEGIANCE

Mayor Manheimer led City Council in the Pledge of Allegiance.

I. PROCLAMATIONS:

II. CONSENT AGENDA:

- A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON FEBRUARY 28, 2017**
- B. RESOLUTION NO. 17-49 - RESOLUTION DIRECTING THE CITY CLERK TO ADVERTISE FOR UPSET BIDS FOR THE SALE OF 0.013 ACRES (APPROXIMATELY 550 SQUARE FEET) OF REAL PROPERTY LOCATED AT FLINT STREET AND MAGNOLIA AVENUE TO LYNN M. REDDEN**

Summary: The consideration of a resolution proposing to accept an offer for sale of 0.013 acres (approximately 550 square feet) and directing the City Clerk to advertise for upset bids, and if no upset bid, authorize the City Manager to execute any and all documents necessary to convey the property located at Flint Street and Magnolia Avenue to Lynn M. Redden.

The City of Asheville owns a parcel of property located at 51 Magnolia Avenue (PIN # 964913853200000). The property is currently vacant and is being maintained by the City's Parks and Recreation Department. Short Flint Street traverses this parcel and provides access for several parcels that would otherwise be landlocked. The City maintains the lot which includes trees that are between the house at 229 Flint and Short Flint Street roadway. The house at 229

Flint Street was built in 1920 with part of the house and a small side porch encroaching on the City's property. It also appears that the front porch appears to be infringing on the City's right of way on Flint Street. It was sold "as is" by heirs of the original owner in February of 2017. It is the new owner who is requesting this action in order to clear the title and to bring the house into compliance with current zoning requirements. The new owner has offered to tear down the side porch, but wants to rehabilitate the house and possibly add an additional story. A survey was done to determine the minimum amount of land that would be needed to eliminate the house encroachment and to accommodate six foot setbacks. It was determined that this would be roughly 550 square feet. The new homeowner at 229 Flint Street has approached the City with an offer to buy the land for \$12,557. This bid was determined by examining comparable sales of vacant land in the area.

The Parks and Recreation Department and Development Services have been consulted and do not object to the sale of this small amount of land in order to remove the encroachment and comply with zoning requirements.

The method chosen to establish fair market value is the upset bid process set forth in NCGS 160A-269. If City Council approves the following resolution, the City Clerk will be directed to publish an advertisement for upset bids for a period of 10 days, in which any interested party may upset the bid of \$12,557. The statutes require that a qualifying bid must increase the current offer by 10% of the first \$1,000 and 5% of the remainder (i.e. \$13,144.85 or higher). Since the function of the upset bid process is to confirm fair market value, the resolution provides that if no qualifying, competing bid is received, then the City Council agrees to convey the parcel to Lynn M. Redden for \$12,557.

Pro:

- Private sale will convert public land into taxable real property and will relieve the City of Asheville of ongoing maintenance responsibility.

Con:

- The City is relinquishing land albeit a small amount.

Proceeds from the sale will benefit the General Fund.

City staff recommends City Council adopt a resolution proposing to accept an offer for sale of 0.013 acres (approximately 550 square feet) and directing the City Clerk to advertise for upset bids, and if no upset bid, authorize the City Manager to execute any and all documents necessary to convey the property located at Flint Street and Magnolia Avenue to Lynn M. Redden.

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C. ORDINANCE NO. 4564 - BUDGET AMENDMENT FOR GRANT FUNDS RECEIVED FROM THE STATE OF NORTH CAROLINA, DEPT. OF HEALTH & HUMAN SERVICES, DIVISION ON AGING AND THE LAND OF SKY REGIONAL COUNCIL/AREA AGENCY ON AGING THROUGH FISCAL YEAR 2016-17 FOR SENIOR CENTER GENERAL PURPOSE FUNDING AT THE SENIOR OPPORTUNITY CENTER AND THE HARVEST HOUSE

Summary: The consideration of budget amendments in the amount of \$3,625 for Senior Opportunity Center and \$3,625 for Harvest House for an appropriation from the State of North Carolina, Department of Health and Human Services, Division on Aging and the Land of Sky Regional Council/Area Agency on Aging through the Senior Center General Purpose Funding.

Funds will be used at the Senior Opportunity Center to clean and paint the exterior of the building. The allocation requires a 25% local match which will be provided via in-kind services of staff time to manage the project.

Funds will be used at Harvest House to purchase 1) materials for the woodworking shop to support classes, 2) flower planters for the main entrance, and 3) deck furniture. This allocation also requires a 25% local match which will be provided via in-kind services of staff time to manage the project.

Pro:

- Purchases and improvements will enhance the customer experience and expand programming opportunities

Con:

- None

The allocation will increase the City's General Fund budget by \$7,250 in accounts designated for the Senior Opportunity Center and Harvest House. The 25% local match will be provided through in-kind services of staff time to manage the projects.

Staff recommends City Council approval of the budget amendment authorizing the City Manager to establish a budget in the amount of 1) \$3,625 for Senior Opportunity Center, and 2) \$3,625 for Harvest House for facility improvements and equipment.

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D. RESOLUTION NO. 17-51 - RESOLUTION DIRECTING THE CITY MANAGER TO SELL CITY PROPERTY LOCATED AT 600 N. SKYLOFT DRIVE, UNIT A-201, TO CAMERON ORTIZ

Summary: The consideration of a resolution directing the City Manager to sell City property located at 600 N. Skyloft Drive, Unit A-201, to Cameron Ortiz for \$145,000.

In 2008, the City established a deferred Housing Trust Fund Loan on property at 600 N. Skyloft Drive, Unit A-201 (PIN 9648-68-1640-C201) in the amount of \$30,000. In July 2014, the City of Asheville purchased this condominium at a foreclosure auction in order to resell it and protect the City's original investment. The City's total purchase price at auction was \$100,438.00. As of February 28, 2017, the City has paid out an additional \$8,697 in bills to include an unpaid property tax bill, utility bills, condominium owner fees, and repairs to the unit. Including the original Housing Trust Fund loan, the foreclosure purchase price, and additional fees, the City has invested a total of \$139,135 in this property.

Following the acquisition of this property, the Housing and Community Development Committee approved marketing the property to City Employees with affordable housing restrictions placed on the deed, including (1.) households must earn 100% or less the of Annual Median Income (AMI); (2.) the Skyloft condo must be their primary residence; and, (3.) the affordability restrictions would apply to any resale. Marketing was extended to all County employees and then to all government employees after a period of time. This did not yield a qualified buyer, therefore, City staff posted the listing on Zillow for \$140,000 and on November 12, 2015, the City received an offer for the asking price, but the deal fell through because of the equity split provision within the deed restriction. Staff undertook work to restructure the deed restriction to satisfy the needs of a potential lender for future buyers. On January 31, 2017, staff finalized the revised deed restriction and adjusted the price to \$145,000 to cover additional costs to the unit and to cover real estate broker listing and sales fees. This price would allow the City to break even if the sale included buyers' agent fees and some closing costs and still maintain affordable for income eligible buyers. Before staff actively listed the property with a real estate

agent, agent Chrissy Edwards of Keller Williams Realty, representing Cameron Ortiz, responded to the Zillow add and submitted a qualifying application at the asking price of \$145,000.

N. C. Gen. Stat. sec. 153-163 authorizes a city that acquires a property by foreclosure in order to secure a debt due to the city, to sell said property by private sale for not less than the amount of its bid. According to N.C. Gen. Stat. sec. 160A-267 (private sale procedure), the City Council can authorize the appropriate City official to dispose of property by private sale at a negotiated price. The resolution provides authorization for the City Manager to sell the property at 600 N. Skyloft Drive, Unite A-201 to Cameron Ortiz for \$145,000, subject to income eligibility, permanent deed restrictions concerning long-term affordability of the unit, and a requirement that the unit must be the primary residence of the owner. If the following resolution is adopted, a public notice summarizing the resolution will be published and the transaction will not take place until at least 10 days after publication.

Pros:

- Sale of an affordable unit to an income eligible buyer.
- Deed restrictions will preserve the property as permanently affordable.
- Private sale will recoup funds spent by the Housing Trust Fund to further affordable housing goals.

Con:

- None

Because this property is associated with the Housing Trust Fund Loan Program, the financial proceeds are to benefit that program as managed by the Community and Economic Development Department, and will reimburse the HTF account with the \$139,135 that was invested in the property.

City staff recommends City Council adopt a resolution authorizing the City Manager to sell the property located at 600 N. Skyloft Drive, Unit A- 201A to Cameron Ortiz for \$145,000, subject to income eligibility, permanent deed restrictions concerning long-term affordability of the unit, and a requirement that the unit must be the primary residence of the owner. In the event that Cameron Ortiz cannot complete the transaction due to financing issues or otherwise, then the City Manager is hereby directed to dispose of the property for the amount of \$145,000, with a 10% increase or decrease in price subject to affordability standards, to an eligible buyer subject to the affordability restrictions as recognized above. Additionally, the City Manager is hereby authorized to execute any and all documents necessary to give full effect to this resolution subject to approval by the City Attorney, and compliance with applicable North Carolina law.

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- E. RESOLUTION NO. 17-52 - RESOLUTION GRANTING THE CONVEYANCE OF 16.26 SQUARE FEET OF PERMANENT EASEMENT FOR EXISTING COLUMNS IN THE CITY RIGHT-OF-WAY AND PROPOSING TO ACCEPT AN OFFER FOR SALE OF 602.52 SQUARE FEET OF AIR RIGHTS AT 68 PATTON AVENUE TO MRK 68 PATTON ASHEVILLE LLC; AND DIRECTING THE CITY CLERK TO ADVERTISE FOR UPSET BIDS FOR THE SALE OF AIR RIGHTS AND IF NO BIDS ARE RECEIVED OR ACCEPTED, AUTHORIZING THE CITY MANAGER TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO CONVEY THE EASEMENT AND AIR RIGHTS**

Summary: The consideration of a resolution (1) granting the conveyance of 16.26 square feet of permanent easement for existing columns in the city right-of-way and proposing to accept an offer for sale of 602.52 square feet of air rights at 68 Patton Avenue to MRK 68 Patton Asheville, LLC; (2) directing the City Clerk to advertise for upset bids for the sale of air rights, and,

if no other bids are received or accepted, authorizing the City Manager to execute any and all documents necessary to convey the easement and air rights.

The City of Asheville controls the sidewalk and street right-of-way located at 68 Patton Avenue and in turn controls encroachments into the overhead airspace above the sidewalk. At this time, MRK 68 is planning to renovate the current structure in order to convert it into a hotel/commercial building with balconies starting at the third floor. The plans call for the balconies to extend into the City controlled air space on the back side of the building on Commerce Street. Being that balconies are permanent, this encroachment into the public air space must be treated as a sale of property, and therefore the City requires that the sale of air rights follow certain disposition procedures; specifically the upset bid process. Exhibit A shows a sketch of the air space that is being requested on the back side of the building, which overlooks Commerce Street

The project was approved in January by the Technical Review Committee (TRC) with conditions. The project design was reviewed by the Downtown Commission but not approved. Only a review was mandatory. The project was presented to the Planning and Zoning (P & Z) Committee in February and approved contingent upon satisfying the conditions in the TRC report. Discussion of the air rights and easement by the Downtown Commission and P & Z was minimal due to the fact that this is not new construction and the columns that require an easement already exist and the balcony that requires a grant of air rights is being added onto an existing roof that encroaches into the right of way. Additionally, the granting of easements or sale of air rights is a City Council decision. There is an air rights policy that was drafted by the Planning Department and reviewed by the Downtown Commission, but not officially approved. Because the air rights being requested are on the back side of the project, namely on Commerce Street, it is in compliance with the draft policy which limits the balcony to five feet and requires that it be opaque.

On February 20, 2017, a qualifying bid was received from MRK 68 in the amount of \$6,628 for the purchase of 602.52 square feet of air space for the purpose of constructing a permanent balcony onto an existing roof overhang during the proposed building renovation at 68 Patton Avenue. The proposed balcony is on the back side of the building which faces Commerce Street. This bid was based on a 2016 Commercial Appraisal of a nearby commercial property and reflects fair market value for the air rights. If the City Council approves the following resolution, the City Clerk will be directed to publish an advertisement for upset bids for a period of 10 days, in which any interested party may upset the current bid of \$6,628. The statutes require that a qualifying bid must increase the current offer by 10% of the first \$1,000 and 5% of the remainder (i.e. \$7,010 or higher). Since the function of the upset bid process is to confirm fair market value, this resolution provides that if no qualifying, competing bid is received, then the City Council agrees to convey this specified area of air rights to MRK 68 for \$6,628.

MRK 68 has also requested that they be granted a permanent easement for the existing structural columns that are on the Commerce Street side of the parcel. The City Staff recommends that the easement be granted at no cost because the columns have existed within the right-of-way since the building was constructed. The easement was calculated on the exact footprint of the columns that extend into the City's right of way. The total amount of square footage is 16.26 square feet.

Pros:

- The sale of the air rights will be at fair market value.

Cons:

- There is no negative impact.

Financial proceeds associated with this disposition are to benefit the City's General Fund.

City staff recommends City Council adopt a resolution (1) granting the conveyance of 16.26 square feet of permanent easement for existing columns in the city right of way and proposing to accept an offer for sale of 602.52 square feet of air rights at 68 Patton Avenue to MRK 68 Patton Asheville LLC; and (2) directing the City Clerk to advertise for upset bids for the sale of said air rights; and if no other bids are received or accepted, authorizing the City Manager to execute any and all documents necessary to convey the easement and air rights.

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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. STRATEGIC OPERATING PLAN UPDATE

A written report was provided to the Council regarding edits to the Council's adopted strategic priorities from the 2017 Council Retreat.

In February 2017, Asheville City Council held the 2017 Council Retreat. At this time, Council reviewed their adopted Strategic Vision and Priorities. There were requested edits to Goals 9b, 10a/b, and 25. Below is also additional information to provide context for the edits.

Council Direction from Retreat:

Insert Goal 9c: Develop North Charlotte Street Innovation District (to start in 1-2018)

Continue; in examining the street, discovered some controversy that suggested that a new approach might be needed. The neighborhood is prepared to do something and the City may be out of sync. We should keep this goal queued and evaluate when to move it to the priority list. We may want to work with property owners to review and revise the current overlay district.

- Goal 9c has been added. The work plan will be developed by Cathy Ball and Todd Okolichany.

Goal 10a: Implement Zero Waste Asheville, including effective implementation of a pilot program and change management strategies for Pay As You Throw

Goal 10b: Implement Zero Waste Asheville, including the use of composting programs

Continue, but merge 10a and 10b again as "Goal 10: Implement Zero Waste Asheville" and revise the work plan

- Goals have been merged, an overall Zero Waste Asheville plan will be designed by Cathy Ball and Amber Weaver using components of the work plans developed for Pay As You Throw and Composting.

Goal 25: Research and recommend a portfolio of options toolbox for small business support (Zoning, Retention, Minority Business, Economic Incentives, and Communication regarding the work opportunity tax credit)

Continue; Break this goal into sub-goals (i.e. 25a, 25b, etc.) with components such as retention, incentives, small business support, zoning, and communication on the work opportunity tax credit. Create a work plan for each sub-goal.

Small Business Support –

- Minority Business Program -actively seeks to identify minority and women-owned businesses for an opportunity to participate as providers of goods and services to the city
 - Bidding Process - City staff works to promote minority business participation in the City's Capital Improvement Program projects by outreach with construction companies when they bid for work with the City.
 - Government-Business-Connect Fair aims to connect minority and women-owned business with City departments that contract out various jobs, from landscape maintenance to consulting.
 - Training and Workshops –
 - Doing Business with the Airport: NCDOT conducted training on certification but also the Airport staff met with attendees on how to find opportunities.
 - Public contracting training to help these businesses learn the process.
 - Small Business Program presentation on services and assistance they can receive as businesses.
 - Lending session hosted by Mountain BizWorks, with information about community development financial institutions, such as Self Help Credit Union, Carolina Small Business Development Fund, as well as traditional lenders
- Start Up in a Day Grant – used to launch Asheville Open For Business online tool to assist business owners in determining the zoning and business requirements for starting a new business in Asheville. <http://openforbusiness.ashevillenc.gov/>
- DSD Restaurant Guide – produced to help Asheville restaurateurs navigate the ins and outs of needed permits and inspections.

IV. PUBLIC HEARINGS:

A. PUBLIC HEARING TO CONSIDER THE PERMANENT CLOSING OF AN UNNAMED ALLEY BETWEEN 7 AND 19 AUSTIN AVENUE

RESOLUTION NO. 17-53 - RESOLUTION PERMANENTLY CLOSING AN UNNAMED ALLEY BETWEEN 7 AND 19 AUSTIN AVENUE

Interim Street Superintendent McCray Coates said that this is the consideration of a resolution to permanently close an unnamed alley between 7 and 19 Austin Avenue. This public hearing was advertised on February 17, 24, March 3 and 10, 2017.

N. C. Gen. Stat. sec 160A-299 grants cities the authority to permanently close streets and alleys.

Pursuant to this statute, adjoining property owners, Mark and Melissa Essig owners of parcel 9649460040 and David and Nancy Stainback owners of parcel 9649460150, have requested the City of Asheville to permanently close a portion of an unnamed alley between unnamed alley between 7 and 19 Austin Avenue. A copy of this resolution of intent was sent by registered or certified mail to all owner of this property abutting this alley, not joining in the petition to close.

Public Works staff notified other city departments and the utility companies and received no concern with this closure.

The Multimodal Transportation Commission met on January 25, 2017, and approved the closure.

Pros:

- There will be no future compromise of ingress/egress to other property
- The closure would allow for more efficient use of the existing adjacent properties
- Meets Council's goals of efficient land use and planning.

Con:

- None

There will be no fiscal impact related to this closure.

City staff recommends City Council adopt the resolution to permanently close an unnamed alley between 7 and 19 Austin Avenue.

Mayor Manheimer opened the public hearing at 5:02 p.m.

Ms. Melissa Essig, applicant, was available for questions.

Mayor Manheimer closed the public hearing at 5:02 p.m.

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

Councilman Bothwell moved for the adoption of Resolution No. 17-53. This motion was seconded by Councilman Smith and carried unanimously.

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V. UNFINISHED BUSINESS:

VI. NEW BUSINESS:

A. ORDINANCE NO. 4565 - ORDINANCE ADOPTING THE 2017-18 FEES & CHARGES

Budget Manager Tony McDowell said that this is the consideration of an ordinance adopting the fee adjustments for Fiscal Year 2017-18.

Fees and charges are a significant revenue source for the City of Asheville, comprising 35% of city-wide revenue and 10% of General Fund revenue. Utilizing a fee for service model allows the City to recover service costs directly from those that benefit from the service. These fees generally fall into three major categories: general user fees and charges; regulatory fees; and public enterprise fees and charges.

Fees and charges are evaluated throughout the year, taking into consideration changes in service levels, demand for the service, and related costs of providing service. The proposed FY 2017-18 fee adjustments were reviewed by the City Council Finance Committee in detail on February 28, 2017, and unanimously suggested the changes in the fees. A full summary of the proposed adjustments to fees and charges was provided to Council. As staff continues preparation of the FY 2017-18 Manager's Recommended Budget, there may be additional fee adjustments that are brought forward as part of the budget presentation in May. All of the proposed fee adjustments would be effective July 1, 2017, but changes to the charges on the combined utility bill for water and stormwater will not be applied until September 1, 2017, to ensure that only services provided at the new rate are being billed.

Pros:

- Provides opportunity to recover the cost of services from those that directly utilize or benefit from the service where appropriate, reducing the financial burden of city services on taxpayers.
- Provides additional revenue to help balance the FY 2017-18 budget.
- Allows staff to communicate fee changes to citizens, customers, and stakeholders so they are aware of changes that will be implemented on July 1.

Con:

- A slight increase in the annual costs to Asheville citizens and customers.

Fees	FY17 Annual Cost	FY18 Annual Cost	Increase
Water - Single Family (5 CCF avg. monthly usage)	\$323.76	\$328.62	\$4.86
Stormwater - Single Family (2,001-4,000 sq ft)	\$52.92	\$55.56	\$2.64
Total Average Cost	\$376.68	\$384.18	\$7.50

The proposed adjustments would generate estimated revenue as follows:

GENERAL FUND	\$147,000
WATER FUND	\$506,100
STORMWATER FUND	\$423,700
TRANSIT FUND	\$48,000
PARKING FUND	\$266,100
US CELLULAR CENTER FUND	\$120,000

Staff recommends City Council review the proposed fee adjustments for Fiscal Year 2017-18 and adopt the ordinance.

Vice-Mayor Wisler asked that the rental charge fee for 14 Riverside Drive be reviewed in approximately one year after the building is up and running.

Councilman Bothwell wondered if there is an estimate on increased parking revenues after the new parking meters are installed and they can be extended to a couple of more hours after 6:00 p.m.

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

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

Councilman Smith moved for the adoption of Ordinance No. 4565. This motion was seconded by Councilman Bothwell and carried unanimously.

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B. RESOLUTION NO. 17-50 – RESOLUTION APPOINTING A MEMBER TO THE HOMELESS INITIATIVE ADVISORY COMMITTEE

Vice-Mayor Wisler, Chair of the Boards & Commissions Committee, said that the term of Hilliard Carlisle as the homeless or formerly homeless member on the Homeless Initiative Advisory Committee passed away.

The following individuals applied for the homeless/formerly homeless vacancy: Joey Grisanti, Angela Dubs and Randy Stoudt.

At the recommendation of the Homeless Initiative Advisory Committee (HIAC), Vice-Mayor Wisler moved to appoint Randy Stoudt to serve as the homeless/formerly homeless member on the Homeless Initiative Advisory Committee, term to expire November 1, 2019, or until his successors has been appointed. This motion was seconded by Councilman Smith and carried unanimously.

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VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Ms. Dee Williams, Rev. Amy Cantrell and Ms. Angel Archer all spoke to Council about the need to gather additional information before any increase in Asheville Police Department budget. They all felt that the \$1 Million request for additional officers would be better spent on people and other life changing resources that create a safer community.

Mr. Joe Pendergraft spoke to Council about the need for more police presence at the Western North Carolina Aids Project parking lot.

Mayor Manheimer reminded Council to refrain from communicating with Task Force members while they deliberate on the task Council assigned to them.

Closed Session

At 5:24 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 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 Councilman Bothwell and carried unanimously.

At 5:37 p.m., Councilman Smith moved to come out of closed session. This motion was seconded by Councilman Bothwell and carried unanimously.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 5:37 p.m.

CITY CLERK

MAYOR