

Tuesday – May 26, 2020 - 5:00 p.m.

This formal meeting was conducted by use of simultaneous communication in which the following participated by simultaneous communication: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Gwen C. Wisler; Councilman Brian D. Haynes; Councilman Vijay Kapoor; Councilwoman Julie V. Mayfield; Councilwoman Sheneika Smith; Councilman W. Keith Young; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson.

Mayor Manheimer said that the City Council wants you to still have the opportunity to participate in the decisions of your government. She then explained the 3 options for providing public comment - voicemail; live call in; and email.

### **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 MAY 12, 2020**
  
- B. RESOLUTION NO. 20-84 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH J. BARTHOLOMEW CONSTRUCTION LLC FOR THE SHELburne ROOF AND WINDOW REPLACEMENT PROJECT**

**Action Requested:** Adoption of a resolution authorizing the City Manager to enter into a contract with J. Bartholomew Construction, LLC in the amount of \$632,500, for the Shelburne Roof and Window Replacement project; and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of 5% (\$31,625).

#### **Background:**

- This property located at 75 Shelburne Road was returned to City ownership at no cost to the City from a Federal agency about ten years ago. At the time of transfer to City ownership, the building was in poor condition and has continued to deteriorate.
- Currently this facility houses Facilities Maintenance and several Police operations. The site also serves as a materials storage facility for Public Works stormwater, sanitation, and fleet management.
- The building now houses essential City functions that require dry, secure conditions.
- The roof and masonry are leaking. This project will replace roofing systems throughout the 1960's building and complete structural masonry repairs. High-bay windows in the former "drill hall", while significantly deteriorating, are currently functional.
- Request for Bids was first advertised on March 11, 2020. No pre-bid meeting was held due to observance of pandemic public health concerns. Additional site information was provided to bidders.
- Formal bids were received April 30, 2020. The bids were not opened because only two bids were received.
- Request for Bids was Re-Advertised on May 5, 2020. Contractors were offered site visits following current COVID-19 restrictions per the State of North Carolina, Buncombe County, and the City of Asheville.

- Window Replacement not accepted: Additive Alternate #2 for upper window replacement did not meet the project budget. Windows are currently functioning and will need to be addressed in a future project.
- Construction will begin around July 15, 2020 with completion around November 15, 2020.
- Two bids were received and formally opened on May 14, 2020, their names and Base Bid + Alternate # 1 amounts are listed below:

○ J. Bartholomew Construction	Hendersonville, NC	\$ 632,500
○ WNC Roofing	Fletcher, NC	\$ 774,000

**J. Bartholomew Construction, LLC** was the lowest responsive, responsible bidder.

**Vendor Outreach Efforts:**

- Staff performed outreach to minority and women owned businesses through solicitation processes which include posting on the State’s Interactive Purchasing System and requiring prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services. The low bidder is not MWBE. The Contractor did document outreach to MWBE sub-contractors. Hemphill Concrete and Finishing (Black Minority Business Enterprise) of Brevard, NC will be performing masonry repairs.

**Council Goal(s):**

- A Clean and Healthy Environment & A Financially Resilient City

**Committee(s):**

- None

**Pro(s):**

- The roof system will be insulated per current codes and leak free.

**Con(s):**

- None

**Fiscal Impact:**

- Funding for this contract is included in the Capital Improvement Program (CIP).

**Motion:**

- Motion to adopt a resolution authorizing the City Manager to enter into a contract with J. Bartholomew Construction, LLC, in the amount of \$632,500, for the Shelburne Roof and Window Replacement project; and further authorizing the City Manager to execute any change orders that may arise during the project up to the 5% contingency amount of \$31,625.

**RESOLUTION BOOK NO. 41 - PAGE 306**

**C. RESOLUTION NO. 20-85 - RESOLUTION AUTHORIZING THE CITY MANAGER TO CONVEY A SEWER EASEMENT ON CITY-OWNED PROPERTY ON OLD HAYWOOD ROAD AND EASTVIEW CIRCLE TO HAWTHORNE AT HAYWOOD APARTMENTS LLC FOR CONSTRUCTION OF A SEWER SERVICE LINE**

**Action Requested:** Adoption of a resolution authorizing the City Manager to grant a sewer easement to Hawthorne at Haywood Apartments, LLC.

**Background:**

- The City was approached by a local developer who is building a new phase of the Hawthorne at Haywood Apartments and needed a connection to the nearest Metropolitan Sewerage District (MSD) sewer line. The closest opportunity for sewer connection is a line on Eastview Circle.
- The N.C. Dept. of Transportation does not allow sewer within the roadway of Eastview Circle and no remaining right of way outside of pavement is accessible for the sewer installation.
- The only feasible connection left is across city property (9618-90-5267) at the intersection of Old Haywood and Eastview Circle.
- The Real Estate Division consulted other City departments to determine whether it would be in the City's best interest to allow this easement on City property. The Asheville Fire Department uses the property as a fire station and Asheville Police Department has a traffic division at this location.
- Representatives of both departments indicated that they had no objections to this sewer extension. The Streets Department was also consulted and they have no objection.
- The easement being requested is approximately 100 linear feet long and is 20 feet wide. The width is mandated by MSD regulation specifying minimum width. Fair Market Value has been determined to be \$4,820 and the developer has agreed to pay this amount.

**Council Goal(s):**

- A Well Planned and Livable Community

**Committee(s):**

- None

**Pro(s):**

- Project will bring much needed rental units to the Asheville area.
- City is receiving compensation for the easement.

**Con(s):**

- There will be temporary disruption on City property during construction.

**Fiscal Impact:**

- City is receiving unbudgeted revenue for the easement in the amount of \$4,820.

**Motion:**

- Motion to approve the resolution authorizing the City Manager to grant a sewer easement to Hawthorne at Haywood Apartments, LLC

**RESOLUTION BOOK NO. 41 - PAGE 307**

**D. ORDINANCE NO. 4803 - TECHNICAL BUDGET AMENDMENT TO THE FISCAL YEAR 2019-20 GENERAL FUND (2100 FUND) BUDGET TO ACCOUNT FOR THE REFUNDING COMPONENT OF THE 2018 GENERAL OBLIGATION BOND DRAW PROGRAM**

**Action Requested:** Adoption of a technical budget amendment to the Fiscal Year (FY) 2019-20 General Fund (2100 Fund) budget in the amount of \$22,445,994 to account for the refunding component of the 2018 General Obligation (GO) Bond draw program.

**Background:**

- In 2016, the voters of Asheville approved a GO bond referendum for \$74 million.
- The City uses a draw program to minimize the cost of debt. A draw program is a model using short-term debt (24-59 month) during the construction of projects. This short-term debt is then “refunded,” or refinanced with long-term debt (20 years). This model minimizes the interest the City pays on debt during construction, ensuring that the City’s debt capacity is used most efficiently.
- In June 2018, the City entered into a GO bond draw program in an amount not to exceed \$23 million.
- Over the subsequent 21 months, the City drew down on the loan to fund various GO-related projects. In March 2020, the City repaid the interim GO bond (\$22.2 million) by issuing 20 year, fixed-rate bonds.
- The FY 2019-20 budget did not include appropriations for the refunding of the 2018 GO bond draw program debt with long-term debt because the amount to be refinanced and the timing were not yet determined when the FY 2019-20 budget was adopted.
- This technical amendment incorporates this appropriation into the budget in order to ensure that the General Fund does not exceed the approved annual budget in the City’s Comprehensive Annual Financial Report (CAFR).

**Council Goal:**

- Financially Resilient City

**Committee(s):**

- None

**Pro(s):**

- Amends the FY 2019-20 budget in order to ensure statutory budgetary compliance.

**Con(s):**

- None

**Fiscal Impact:**

- There is no net fiscal impact from this technical budget amendment. It will simply amend the FY 2019-20 budget in the General Fund to reflect the receipt of refunding proceeds from the bank and the subsequent payment to bondholders to defease the prior debt issuance.

**Motion:**

- Motion to approve a technical budget amendment to the Fiscal Year 2019-20 General Fund (2100 Fund) budget in the amount of \$22,445,994 to account for the refunding component of the 2018 General Obligation Bond draw program.

**ORDINANCE BOOK NO. 33 - PAGE 72**

**E. RESOLUTION NO. 20-86 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH GMV SYNCROMATICS TO PROVIDE DIGITAL REAL-TIME ARRIVAL/DEPARTURE SIGNAGE AT THE DOWNTOWN TRANSIT CENTER**

**Action Requested:** Adoption of a resolution authorizing the City Manager to execute a contract with GMV Syncromatics in an amount not to exceed \$188,068 to provide digital real-time arrival/departure signage at the downtown transit center.

**Background:**

- The City of Asheville is currently in the process of renovating various aspects of the downtown transit station at 49 Coxe Ave.
- Recently completed portions of the renovation project include a complete renovation of the interior waiting room and ART staff space; new paint, furniture, and lighting on the platform, and new static signage for the platform bays and building.
- Outstanding items include the addition of solar panels to the roof (to be completed this summer), ADA improvements to the sidewalks and ramps adjacent to the transit station on the west side, and the addition of digital real-time arrival/departure signage to improve the rider experience.
- The City issued a request for proposals February 13, 2020, and received 5 proposals.
- The vendor was selected by a committee of transit staff from the City, ART and City IT staff.
- Installation of the signage will be done under a separate city contract.

**Vendor Outreach Efforts:**

- A Request for Proposals was issued and posted on the City's bid page as well as the State Department of Administration Historically Underutilized Business website.
- No bids were received from disadvantaged or minority businesses.
- Electrical work and installation of the signage will be bid separately and will include additional outreach to local disadvantaged and minority businesses.

**Council Goal(s):**

- Transportation and Accessibility.

**Committee(s):**

- None

**Pro(s):**

- Digital signage will be placed at the transit center inside the passenger waiting area and outside on the platform to provide riders with real-time transit arrival and departure information, as well as rider alerts and messages.
- The digital signage will improve the rider experience and provide additional opportunities for the City and ART to communicate with riders.

**Con(s):**

- The cost of the signage.

**Fiscal Impact:**

- The contract is for 3 years with options to renew for two additional years for a total of 5 years.
- The total 5 year cost of the contract is \$188,068. This includes \$137,573 in hardware and \$6,995 in annual software licensing, support, and maintenance fees for the first year. Years 2 through 5 would include an annual payment of \$10,875 for software licensing, support and maintenance.
- The contract allows for additional signage purchases to be made as funding is available in order to expand the system.
- The hardware component (\$137,573) of the project is to be funded primarily through previously awarded Federal Transit Administration funds budgeted as part of the transit center renovation project. The City is responsible for 20% of this cost (\$27,514), which is also budgeted in that same capital project. Annual maintenance, support and licensing fees are included in the Transit Operations Fund budget and will be funded with City funds.

**Motion:**

- Motion to adopt a resolution authorizing the City Manager to execute a contract with GMV Syncromatics in an amount not to exceed \$188,068 to provide digital real-time arrival/departure signage at the downtown transit center.

**RESOLUTION BOOK NO. 41 - PAGE 308**

**F. RESOLUTION NO. 20-87 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH ESRI INC. FOR GIS SOFTWARE MAINTENANCE**

**Action Requested:** Adoption of a resolution authorizing the City Manager to renew a three-year contract with Esri, Inc. for GIS software maintenance.

**Background:**

- On August 22, 2017, Council approved Resolution No. 17-185 Esri, Inc. for a three-year contract for GIS Software Maintenance.
- This new contract would allow the City of Asheville to continue building an award-winning GIS program using Esri software for GIS dashboards, Map Asheville, the open data program, water utility management, Public Works asset management, Equity mapping and storytelling, and other initiatives.
- Currently, Esri software is also providing a central data repository and dashboard for the coordinated COVID-19 response.

**Vendor Outreach Efforts:**

- Esri provides a competitive enterprise license agreement for public sector clients. Changing the City's underlying GIS infrastructure would result in significant costs in terms of lost productivity and the need to rebuild existing GIS assets.
- While City staff keeps a close eye on the enterprise GIS software market, there are few alternatives and none that can provide the same level of value compared to Esri.

**Council Goal(s):**

- Connected and Engaged Community
- A Diverse Community
- A Well-Planned and Livable Community

**Committee(s):**

- None

**Pro(s):**

- Increased support of departmental business requirements via greater options for GIS software licensing
- Ability to install additional software without additional purchases
- Hold the line on increasing software maintenance costs

**Con(s):**

- If continued funding is not appropriated, some staff will lose the ability to utilize GIS software and data.

**Fiscal Impact:**

- The first year is \$55,500; \$5,500 will come from the Water Service Fund and \$50,000 will come from IT Services GIS Application Service funding.

- Funding for the first year of the contract is included in the adopted Fiscal Year 2019-20 Budget.
- The total for the three-year contract is \$178,155, including sales tax.

**Motion:**

- Motion to approve the adoption of the resolution authorizing the City Manager to enter an agreement with Esri, Inc. for a three-year contract for GIS Software Maintenance.

**RESOLUTION BOOK NO. 41 - PAGE 309**

**G. RESOLUTION NO. 20-88 - RESOLUTION APPOINTING VICE-MAYOR WISLER TO REPRESENT THE CITY OF ASHEVILLE ON THE FRIENDS OF FONTA FLORA STATE TRAIL BOARD OF DIRECTORS**

**Action Requested:** Adoption of a resolution appointing Vice-Mayor Gwen Wisler to the Friends of the Fonta Flora State Trail, Inc. Board of Directors.

**Background:**

- The Fonta Flora State Trail is the second state trail in North Carolina. It starts in Burke County at Lake James and is planned to extend through McDowell and Buncombe Counties to terminate in Asheville.
- The City Council of the City of Asheville approved the adoption of the Fonta Flora State Trail extension to Asheville on December 13, 2016, via Resolution # 16-273.
- The Friends of the Fonta Flora State Trail, Inc. is a newly formed non-profit organization designed to support local jurisdictions to coordinate and hasten the planning and implementation of the Fonta Flora State Trail from Morganton to Asheville.
- The Board of Directors is currently being formed and will be made up of elected officials, economic development officials, and trail builders from the three county area.
- Vice-Mayor Gwen Wisler, liaison to the Greenway Committee, was invited to sit on the board for a three-year term.

**Council Goal(s):**

- Transportation and Accessibility
- Connected and Engaged Community

**Committee(s):**

- All committees suspended until further notice due to COVID-19.

**Pro(s):**

- The City of Asheville will have a representative on the Board of Directors.
- State trail status should provide high level planning and funding opportunities to governing entities that are involved with the state trail.

**Con(s):**

- Time commitment would be required for the city's representative.

**Fiscal Impact:**

- There is no fiscal impact for this action.

**Motion:**

- Adopt a resolution appointing Vice-Mayor Gwen Wisler to the Friends of the Fonta Flora State Trail, Inc. Board of Directors

**RESOLUTION BOOK NO. 41 - PAGE 310**

**H. RESOLUTION NO. 20-89 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH MATTERN & CRAIG INC. FOR THE NEW HAWCREEK BOND SIDEWALK PROJECT**

**Action Requested:** Adoption of a resolution authorizing the City Manager to execute a contract amendment with Mattern & Craig, Inc. in the amount of \$39,405, for a total contract amount of \$719,780 and to further authorize change orders up to the contingency amount of \$35,500 (5.2%) for Bond Sidewalk Bundle B.

**Background:**

- This project, New Haw Creek Sidewalks, is part of the original Bond Sidewalk Bundle B design contract consisting of three other active GO bond sidewalk projects with Mattern & Craig, Inc.
- The City originally entered into a contract in the amount of \$573,725 for Bond Sidewalk Bundle B design services (Resolution 17-261, dated November 27, 2017), and later expanded the scope of services to meet the requirements the Federal grants that were awarded to supplement the project budgets. The first contract amendment resulted in a revised contract of \$680,375 (Resolution 19-109, dated May 14, 2019)
- Design consideration, to date, for the Haw Creek sidewalk envisioned the sidewalk being constructed on the west side of the road past Dogwood Grove then crossing to the east side of the road.
- Certain challenges with constructing on the east side of the road prompted the suggestion to further evaluate construction on the west side allowing crossings at intersections of Beverley Road and Bel Road.
- Site investigation of the original alignment identified obstructions. The full significance of these obstacles was not realized until a design review workshop in February 2020.
- Understanding the significance of the east side obstructions prompted an investigation of a new alignment. After preliminary design work on the new alignment, it was determined that the new alignment is feasible and recommended.
- This amendment to the design services contract will include additional survey as well as additional drainage and retaining wall design required for constructing on the west side of Haw Creek. The cost of this additional work is \$39,405, bringing the total cost of the design contract for the four projects to \$719,780.
- The additional contingency of \$35,500 is being requested to cover unexpected changes which may occur in the design of this and the other three active projects in this bond package.
  - New Haw Creek design will be complete in August 2020, with construction completion in May 2020.
  - Johnston Boulevard design will be complete in November 2020, with construction completion in January 2023.
  - Onteora Boulevard design will be complete in October 2020, with the construction completion in April 2021.

**Vendor Outreach:**

- During the establishment of the original contract, staff performed outreach to minority and women owned businesses through solicitation processes which included posting on the State's Interactive Purchasing System and encouraging consultants to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services. No MWBE firms submitted qualifications for consideration as the prime consultant.

**Council Goal(s):**



- Smart City
- Well-planned and livable community

**Committee(s):**

- None

**Pro(s):**

- Design of sidewalk that will meet City and National standards
- Improve mobility and safety on city streets
- Adhere to federal guidance and project federal funding

**Con(s):**

- Construction will be disruptive to adjacent residences and businesses

**Fiscal Impact:**

- Funding for this contract is already included in the 2016 General Obligation (G.O.) Bond Program and has since been supplemented by federal grant funding at an 80% Federal/20% City level.

**Motion:**

- Motion to adopt a resolution authorizing the City Manager to execute a contract amendment with Mattern & Craig, Inc. in the amount of \$39,405, for a total contract amount of \$719,780 and to further authorize change orders up to the contingency amount of \$71,000 (9.8%) for Bond Sidewalk Bundle B.

**RESOLUTION BOOK NO. 41 - PAGE 311**

**I. RESOLUTION NO. 20-90 - RESOLUTION APPROVING THE 2020 GENERAL OBLIGATION BOND DRAW PROGRAM**

**Action Requested:** Adoption of a resolution directing the City Manager and Chief Financial Officer to pursue debt financing for capital projects with a draw program that includes the issuance of interim, variable rate General Obligation Bonds (GOs) in an amount not to exceed \$25,000,000. The interim GOs will provide construction financing for projects which, upon completion, will be permanently financed through longer-term, fixed rate GOs.

**Background - Timeline:**

- In 2016, the voters of Asheville approved a GO bond referendum for \$74 million.
- In June 2018, the City entered into a GO bond draw program in an amount not to exceed \$23 million.
- In March 2020, the City refunded the interim GO bonds (\$22.2 million) by issuing 20 year, fixed rate bonds.
- In June 2020, the City wishes to enter into its second GO bond draw program in an amount not to exceed \$25 million, and in keeping with the 2016 referendum mandate.

**Background - Draw Program:**

- The City uses a draw program to minimize the cost of debt. The program allows the City to draw down funds as they are needed during the construction of projects (24-59 months). This short-term debt is then "refunded," or refinanced with longer-term, fixed rate debt (20 years).
- This approach minimizes the interest the City pays on debt during construction and ensures that the City's debt capacity is used most efficiently.

**Council Goal:**

- Financially Resilient City

**Committee(s):**

- None

**Pro(s):**

- Allows the City to move forward with the Capital Improvement Program as funds are spent

**Con(s):**

- None

**Fiscal Impact:**

- The initial draw on the GO bonds for costs incurred to date is \$5.1 million. At current variable rates associated with this facility (roughly 1.92%), the annualized interest expense on the initial draw is \$98 thousand. As further draws are made on the bonds, the interest expense will increase accordingly. Funds are included in the City's FY 2020-2021 proposed debt service budget to cover these costs. They are also included in the City's multi-year capital improvements debt model.

**Motion:**

- Motion to approve the proposed General Obligation Bond Resolution

**RESOLUTION BOOK NO. 41 - PAGE 312**

**J. RESOLUTION NO. 20-91 - RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND THE CONTRACT WITH PARKER TECHNOLOGIES INC. FOR THE PARKING GARAGE VIDEO CALL CENTER ANSWERING SERVICE**

**Action Requested:** Adoption of a resolution authorizing the City Manager to amend the existing parking garage call center contract (# 91700296) with Parker Technology, Inc., increasing the total value of the contract to \$91,000, and to extend the contract until May 31, 2020.

**Background:**

- The City of Asheville entered into a contract with Passport Labs in February 2017 for a video-based customer answering / "call for assistance" service within the four City-operated parking garages.
- The fee structure paid is dependent on the number of "call for assistance" buttons placed at each parking garage exit, as well as the hours within a day that each assistance point is monitored.
- At the beginning of the contract, not all garage exits were equipped with "call for assistance" buttons, and all in-place buttons were only being monitored during evening and weekend hours.
- During May 2018, additional "call for assistance" buttons were installed, and all exits used by hourly garage customers were enhanced to 24/7 monitoring.
- Parking Services raised all parking garage gates on March 18, 2020 due to COVID-19 response. No use of the video call for assistance service has been recorded since then, although the garages have remained open for patrons.

- The contract expired in February 2020 and the requested additional funds would allow Parking Services to pay for services through May 31, 2020.

**Vendor Outreach Efforts:**

- N/A - This is a current contract.

**Council Goal(s):**

- Transportation and Accessibility.

**Committee(s):**

- None.

**Pro(s):**

- Enables the City to continue to provide timely assistance for parking garage customers.
- Provides “face-to-face” customer support.

**Con(s):**

- None

**Fiscal Impact:**

- The cost of increasing the contract value in order to maintain 24/7 customer assistance is included in the current Parking Services Fund operating budget.

**Motion:**

- Motion to adopt a resolution authorizing the City Manager to amend the existing parking garage call center contract (# 91700296) with Parker Technology, Inc., increasing the total value of the contract to \$91,000, and to extend the contract until May 31, 2020.

**RESOLUTION BOOK NO. 41 - PAGE 334**

**K. RESOLUTION NO. 20-92 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH LOOMIS ARMORED US, LLC, FOR ARMORED CARRIER SERVICE**

**Action Requested:** Approval for a contract between the City and Loomis Armored US, LLC, a cash pickup & delivery service, in an amount not to exceed \$160,000 over a five year period.

**Background - Timeline:**

- Various City departments and divisions accept cash payments for services - including Water, Parking, WNC Nature Center, Harrah’s Cherokee Center Asheville and Development Services.
- State Statute (NC 159-32) requires that cash receipts in excess of \$500 be deposited with a financial institution on a daily basis.
- The City has not had a consistent, coordinated method for making cash deposits.
- To ensure compliance with State statute and improve employee safety, Finance and the aforementioned departments have undertaken an effort to standardize cash deposit activities across the City using Smart Safes and armored car pickup.
- Following a Request for Proposals process, Loomis Armored US, LLC was chosen as the preferred vendor.
- Under the proposed contract, Loomis Armored US, LLC will provide armored vehicle cash pick-up & delivery services as well as State Statute compliant “smart safes” for the periods of time in between cash pickup.

**Council Goal:**

- Financially Resilient City

**Committee(s):**

- None

**Pro(s):**

- Improved employee safety, ensuring that employees are not responsible for carrying cash to the bank.
- Compliance with State Statute through the use of Smart Safes on site.
- Efficient use of City resources, APD officers will not be needed to escort Water Resources deposits to the bank.

**Con(s):**

- None

**Fiscal Impact:**

- Contracted service costs not to exceed \$160 thousand over a five year period. Each department or division has included these costs in their respective budgets.

**Motion:**

- Move to adopt a resolution authorizing the Mayor to execute a contract with Loomis Armored US, LLC.

**RESOLUTION BOOK NO. 41 - PAGE 335**

**L. RESOLUTION NO. 20-93 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR, AND ACCEPT IF AWARDED, A U.S. DEPT. OF JUSTICE CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM GRANT**

**ORDINANCE NO. 4804 - BUDGET AMENDMENT TO ACCEPT A U.S. DEPT. OF JUSTICE CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM GRANT**

**Action Requested:** Adoption of a resolution to apply for and accept the 2020 Coronavirus Emergency Supplement Funding (CESF) grant and adopt a budget amendment in the City's Special Revenue Fund in the amount of \$153,278.

**Background:**

- The City of Asheville received an email notifying us of the opportunity to apply for a Department of Justice (DOJ) Coronavirus Emergency Supplemental Funding Program (CESF) grant.
- The DOJ has preliminarily determined that the Asheville Police Department (APD) is eligible to receive a 2020 award of \$153,278 which is allocated solely to the APD.
- The APD will use the funds to prevent, prepare for, and respond to the coronavirus pandemic.

**Council Goal(s):**

- A Connected and Engaged Community

**Committee(s):**

- None

**Pro(s):**

- Allows for reimbursement for purchases pertaining to the Coronavirus pandemic.

**Con(s):**

- None

**Fiscal Impact:**

- There is no local match required.

**Motion:**

- Motion to adopt a resolution approving the application and acceptance of the grant and a budget amendment to appropriate the funding.

**RESOLUTION BOOK NO. 41 - PAGE 336  
ORDINANCE BOOK NO. 33 - PAGE 73**

**M. RESOLUTION NO. 20-94 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR, AND ACCEPT IF AWARDED, WITH THE EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF NATIONAL DRUG CONTROL POLICY FOR THE 2020 HIGH INTENSITY DRUG TRAFFICKING AREAS GRANT**

**ORDINANCE NO. 4805 - BUDGET AMENDMENT FOR THE 2020 HIGH INTENSITY DRUG TRAFFICKING AREAS GRANT**

**Action Requested:** Adoption of a resolution to apply for and accept the 2020 High Intensity Drug Trafficking Areas (HIDTA) Grant; and adopt a budget amendment in the City's Special Revenue Fund in the amount of \$285,416.

**Background:**

- The City of Asheville receives an annual opportunity to receive a HIDTA Program Grant.
- The Office of National Drug Control Policy has preliminarily determined that the City of Asheville is eligible to receive a grant of \$285,416.
- The purpose of the HIDTA program is to reduce drug trafficking and production in the United States, specifically in areas where drug related activities are having a significant harmful impact.
- The Asheville HIDTA is comprised of members of the United States Drug Enforcement Administration, Asheville Police Department, and the Sheriff Offices' of several Western North Carolina Counties.
- Grant funds are used for overtime, travel, services and supplies. All expenses are tracked and audited by local and Federal authorities.
- The Asheville HIDTA is the direct beneficiary of the grant funds. A United States Drug Enforcement Administration supervisor, who is the Asheville HIDTA manager, determines how grant funds will be expended. All members of the Asheville HIDTA receive reimbursement when they incur qualified expenses conducting Asheville HIDTA business.
- The Asheville Police Department acts as the fiduciary for the grant. When expenses are incurred,

the fiduciary settles the claims using appropriated City of Asheville funds and then requests a 100% reimbursement from the Federal Government.

**Council Goal(s):**

- A Connected and Engaged Community

**Committee(s):**

- None

**Pro(s):**

- Fosters partnerships with Federal and local law enforcement agencies.

**Con(s):**

- None

**Fiscal Impact:**

- There is no local match required.

**Motion:**

- Motion to adopt a resolution approving the application and acceptance of the grant; and a budget amendment to appropriate the funding.

**RESOLUTION BOOK NO. 41 - PAGE 337**

**ORDINANCE BOOK NO. 33 - PAGE 74**

**N. RESOLUTION NO. 20-95 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROVE SELECTION OF A CONTRACTOR TO PROVIDE SUPPLEMENTAL TRANSIT SERVICE IN THE CITY OF ASHEVILLE TRANSIT AREA**

**ORDINANCE NO. 4806 - BUDGET AMENDMENT IN THE TRANSIT SERVICES FUND FROM CARES ACT FUNDING TO PROVIDE BUDGET AUTHORIZATION FOR THE CONTRACT COST**

**Action Requested:** Adoption of a resolution authorizing the City Manager to execute a contract with Young Transportation in an amount not to exceed \$962,000 to provide supplemental transit operations support for the City of Asheville in an effort to restore portions of fixed-route transit services that have been reduced due to COVID-19 impacts to service capacity; and a budget amendment in the Transit Services Fund in the amount of \$962,000 from CARES Act funding to provide budget authorization for the contract cost.

**Background:**

- The COVID-19 pandemic has impacted the City of Asheville's fixed-route transit service, Asheville Rides Transit (ART), in a number of specific ways that have resulted in the need to reduce transit service.
- Specifically, social distancing requirements have necessitated limiting the number of people on a bus to 10 (including the driver). This has essentially reduced the overall service capacity by more than 50%, resulting in instances of overcrowding and not being able to pick up all riders.
- Additionally, staffing levels at ART have also been impacted, both due to COVID-19, natural employee turnover, and nationwide driver shortage, which has been exacerbated by COVID-19.
- Staffing shortages contributed to the need to cut 3 routes (170, S6, and one bus on WE1

- route) in March, which has had a significant negative impact on many ART riders.
- Approximately \$3.75 million in CARES Act funding has been provided to the City of Asheville specifically to be used for transit expenses related to COVID-19, including expenses related to purchasing operational support.
- The City released an RFP on May 13 requesting proposals to provide supplemental transit operations support, specifically requesting the provision of large vehicles and drivers to be used 12 hours per day in order to cover the peak ridership times of day on the 3 routes that were previously cut (170, S6, WE1). The contractor may also be asked to provide pick-ups and drop-offs to aid in overcrowding being experienced due to the 10-person limit per bus.
- It is unknown how long these services will continue to be necessary, though it is likely that it will no longer be needed when ART staffing levels return to normal and physical distancing measures are no longer required.
- The \$962,000 cost to be authorized is a maximum amount and includes 4 buses for 12 hours per day, operating 7 days per week, between June 1 and December 31. It is possible that the number of buses per day needed may be less than 4 on any given day, and it is possible that the City may not need the additional support through December, however staff requests authorization for this maximum amount in case it is needed. Any remaining funds would be returned to the Transit Operations Fund.
- This supplemental service is not new or supplanted service and has no impact on the existing contract with RATPDev, Inc. or the Collective Bargaining Agreement between RATPDev, Inc. and its staff.

**Vendor Outreach Efforts:**

- A Request for Proposals was issued and posted on the City's bid page as well as the State Department of Administration Historically Underutilized Business website.
- The City received one proposal from a minority/woman-owned business based in Winter-Garden, Florida; however the proposal did not meet the selection criteria as well as Young Transportation's proposal and therefore was not selected.

**Council Goal(s):**

- Transportation and Accessibility.

**Committee(s):**

- None

**Pro(s):**

- The contract will provide service 12-hours per day to cover peak ridership times, primarily on the 3 routes that were previously cut. The contractor may also provide service to pick up and drop off riders that may be left at a stop due to the bus being full as a result of the 10-person limit.
- CARES Act funding can be used to fund this contract, rather than City funds.

**Con(s):**

- The cost to procure additional private services to supplement our fixed-route transit service.

**Fiscal Impact:**

- The contract is for a not-to-exceed amount of \$962,000. CARES Act funding will be used to fund these services, and there is a 0% City match required.
- A budget amendment is needed in order to provide sufficient budget authorization to encumber the contract in the current year Transit Services Fund budget.

**Motion:**

- Motion to adopt a resolution authorizing the City Manager to execute a contract with Young Transportation in an amount not to exceed \$962,000 to provide supplemental transit operations support for the City of Asheville in an effort to restore portions of fixed-route transit services that have been reduced due to COVID-19 impacts to service capacity; and a budget amendment in the Transit Services Fund in the amount of \$962,000 from CARES Act funding to provide budget authorization for the contract cost.

**RESOLUTION BOOK NO. 41 - PAGE 338  
ORDINANCE BOOK NO. 33 - PAGE 75**

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.

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

**III. PRESENTATIONS & REPORTS:**

**A. PRESENTATION OF THE FISCAL YEAR 2020-21 BUDGET**

City Manager Campbell was pleased to present the Fiscal Year (FY) 2020-21 Annual Operating Budget. She thanked the Finance & Budget Department, Department Directors, and City Council. The budget document can be accessed on-line.

City Manager Campbell then gave a brief overview of (1) a brief discussion of expected year-end results; and (2) FY 2020-21 Manager's Recommended Budget (a) challenges of budgeting in uncertain economic times; and (b) recommendations.

Key takeaways included: (1) Ongoing major uncertainty; (2) Continuation budget with limited service enhancements; (3) Departments worked to make cuts with a focus on minimizing operational impacts; and (4) Even with state/federal support, fund balance needed to support operations.

Chief Financial Officer Barbara Whitehorn reviewed a PowerPoint of the FY 2019-20 year-end update: In the General Fund (1) Significant revenue loss from sales taxes, ABC revenue, and investment earnings; (2) Identified \$1 million in savings; (3) \$2.5-4.5 million use of fund balance; and (4) Available fund balance at year end will drop to between 14-16%. She showed a chart tracking sales tax for the year-end results.

State and federal assistance: (1) State CRF Assistance ○ \$942,000 from Buncombe County; (2) Federal CARES Act Funding ○ \$615,000 Community Development Block Grant (CDBG) Program. ○ \$3.7 million for COVID-19 Transit Impacts; and (3) Dept. of Justice Coronavirus Emergency Supplemental Funding Program (CESF) ○ \$153,000 for the Police Department.

Year-end results for the Enterprise Funds include: (1) Parking (a) Revenue loss from free parking. ○ \$500,000/month; and (b) Identified savings to reduce expected fund balance use to \$1.4 million; (2) Transit (a) Revenue loss from fare-free; and (b) Transit COVID-19 expenses and budget shortfall will be covered with CARES Act funding.

The financial summary for the year-end results (1) General Fund use of fund balance - range of \$2.5 - \$4.5M; (2) Continue to monitor sales taxes and regularly report to Council; (3)



Parking Fund use of fund balance - approximately \$1.4M; and (4) State & federal assistance helping offset financial impacts.

Key drivers in the budget development of the FY 2020-21 Manager's Recommended budget include (1) Even more uncertain economic outlook; (2) Minimal revenue growth will be used up by ongoing operating cost increases, even after making reductions to expenditures; and (3) While enhancements can be considered if the fiscal picture improves later in the year, additional revenue will be needed to fund any new capital or operating investments.

Our guiding principles include (1) essential service delivery - ensuring departments have the resources required to meet service delivery expectations; (2) enhancing customer value - ensuring efficient service delivery that improves the customer experience; and (3) strategic alignment - aligning resources (new and existing) to achieve community, City Council and staff goals.

We implement these guiding principles in a crisis by (1) ensuring safety of our staff and community; (2) work to limit impacts on existing services - whether essential or strategic, not the time to reduce the services our community relies on; and (3) be prepared for the plan to change.

The FY 2020-21 recommended budget continues funding for existing services with limited enhancements, new programs or initiatives; and maintains current property tax rate (42.89¢) and recommends no fee increases. She showed a chart of the summary budget, along with a chart of Fiscal Year 2020-21 General Fund revenues.

For the FY 2020-21 General Fund operating expenses, the primary goal is (1) continuity of operations; (2) continued transit support; (3) collaborative work with departments to hold operating budgets flat year over year; and (4) budget developed with intentionality and a focus on equity.

FY 2020-21 salaries & wages: (1) Funding for \$31,200 minimum annual pay, LGERS required increase; (2) No general wage increase for employees; (2) Assuming continuation of hiring freeze through first six months of FY 2020-21; (4) Delayed implementation of other recommendations of Compensation Study. ○ Base pay of all employees, including firefighters being evaluated; and (5) Firefighter Pay Plan (a) Trainee pay: \$32,630 annually (6 mo.); (b) Firefighter starting pay: \$33,935 annually (~2 yrs.) - Step increases, 2.5%; (c) Sr. Firefighter pay: \$40,603 annually; and (d) Other Pay - Education Pay, 1.5-5% - Certification Pay, 2-3%

We aren't making deeper cuts today (1) Flat Budgets (a) Maintain levels of service for the community; (b) Departments minimized increases; and (c) Overall increase driven by Transit improvements in FY 2020-21; (2) Staffing (a) Amount of work expected of employees is increasing during the crisis; and (3) Hold Steady and Prepare for Change.

Strategies for a prolonged recession will be to communicate Early and Often with Council and the Community (1) Continuation of hiring freeze; (2) Maintenance and Capital Investments (a) Defer facility and infrastructure maintenance; and (b) Defer capital projects not already in progress; and (c) Service Cuts.

In the FY 2020-21 General Fund operating budget, we recommend reallocation of a portion of Strategic Partnership Funds (SPF) to support equity and address opportunity gap goals: (1) \$35,000 to support ACS After-School Coordinator; (2) \$43,000 to Parks & Recreation for extended community center hours & summer youth/teen programming; and (3) \$15,000 to Pisgah Legal Services Tenant Eviction Response Team.

She then outlined several of Council's strategic priorities that are on-going.

In summary for the General Fund, revenue is \$133.1 Million; expenditures are \$134.6 Million; for a use of Fund Balance of \$1.5 Million. Continuity of operations and existing programs with no additional funding for new or enhanced services. Fund balance appropriation of \$1.5 Million included in the budget, reducing fund balance to the range of 13-15%.

For the FY 2020-21 Enterprise Funds, (1) No fee increases in water and stormwater; (2) Uncertainty around re-implementation of fees for transit and parking may impact revenues in those funds; and (3) Parking revenue likely will be slow to rebound.

In summary for the Enterprise Funds: (1) Transit Fund - \$2.1 million (21%) increase in costs (a) Continuation of service enhancements implemented in January, 2020; and (b) Increased paratransit costs; (2) Harrah's Cherokee Center Fund - Budget reduced by \$1.1 million to reflect fewer expected events (a) Use of \$217k in fund balance; (3) Water Resources Fund (a) No fee increases; and (b) Water Capital Improvement Program charge to be eliminated (\$7.4 million reduction in revenue) (i) Water capital fund balance to make up difference; and (ii) External consultants working on rate study to better balance cost burden between commercial and residential customers.

She then reviewed a chart of summary of Enterprise Funds.

For the FY 2020-31 Capital Improvement Program (1) Projects already underway will continue; (2) No new projects funded; (3) Projects included if a delay could jeopardize external funding; and (4) GO bond projects continuing to ensure completion within timeframe.

She noted that key takeaways include (1) Ongoing major uncertainty; (2) Continuation budget with limited service enhancements; (3) Departments worked to make cuts with a focus on minimizing operational impacts; and (4) Even with state/federal support, fund balance needed to support operations.

The public hearing on the budget will be held on June 9 with options of live telephone, pre-recorded and written public comment. The budget adoption is scheduled for June 23, 2020.

In response to Councilman Kapoor, Ms. Whitehorn said that they will provide Council with a list of the continuing capital projects, along with a list of a list of streets they anticipate to repair.

#### **IV. PUBLIC HEARINGS:**

##### **A. PUBLIC HEARING TO CONSIDER A LAND USE INCENTIVE GRANT 2 RESTAURANT COURT RENTAL COMMUNITY, BEAUCATCHER VISTA LLC**

Community Development Program Director Paul D'Angelo said that this is the consideration of a resolution granting a land use incentive grant for 2 Restaurant Court rental community, Beaucatcher Vista LLC. This public hearing was advertised on May 1, 2020. On May 12, 2020, the public hearing was continued to this date.

##### **Review::**

- Kirk Booth d/b/a as Beaucatcher Vista LLC has proposed the development of a 40-unit, 100% affordable multifamily property on a 1.31 acre parcel located at 2 Restaurant Court (PIN #9658-08-2350) in Asheville directly off of Tunnel Road. All 40 units are intended to be 1 bedrooms, with 30 of the units set aside for households at or below 60% of Area Median Income (AMI) and the remaining 10 for 80% AMI households.

- The property is situated in close proximity to commercial and transit amenities, including an ART bus stop, an Ingles grocery and pharmacy, and a number of potential employers. These are all factors prioritized in the LUIG policy.

**Proposal:**

- The developer has requested a Land Use Incentive Grant (LUIG) award estimated at \$289,481.85. In addition, the developer seeks a loan of \$1,000,000 from the City's Housing Trust Fund, which request will be considered at the May 26, 2020, Council meeting.
- The property's location and commitment to affordable housing merits a score of 150 on the LUIG scoring matrix, resulting in an award period of 21 years. The City's LUIG policy caps award terms at 20 years plus 1 from the date of release of all occupancy permits for the property.
- The current assessed value of the parcel is \$786,000 with an annual City tax obligation of \$3,371.15. An estimate of post-construction value from the developer is \$4,000,000.
- True valuation will be determined by Buncombe County Tax Assessor after project completion. A project valued at \$4,000,000 at the current City tax rate of 0.4289 would result in an annual grant award of \$13,784.85. Over the 21 year award period, the total value of the LUIG award would amount to \$289,481.85.
- This request will be presented in unison with a \$1,000,000 Housing Trust Fund request. The combined City subsidy should both awards be approved is \$1,289,481.85, or a total City subsidy of \$32,237.05 per affordable unit.

**Council Goal(s):**

- Quality Affordable Housing
- An Equitable and Diverse Community

**Committee(s):**

- None

**Pro(s):**

- The proposed project will create 40 affordable rental housing units made available to households earning 80% or less of AMI for a period of 20 years.
- The proposed project addresses the City's stated priority for one-bedroom apartments.

**Con(s):**

- None.

**Fiscal Impact:**

- The parcel has a current tax value of \$786,000 and with an annual City of Asheville tax bill of \$3,371.15.
- The estimated tax value upon completion is \$4.0M, which at current rates would result in a City tax bill of \$17,156. The difference in tax payment is \$13,784.85. An equivalent amount would be granted back annually to the property owner for 21 years.
- The maximum term of a LUIG is 20 years plus 1. Therefore, over a period of 21 years, the estimated value of this LUIG award is \$289,481.85

Vice-Mayor Wisler said that she has heard concerns regarding the developer's neighboring development at 444 Beaucatcher Road. The concerns include garbage and recycling, intrusion of cottages into the setback required, no sidewalk and curbs, cottages are built with their backs to the street; and lack of maintenance of the vegetative buffer. Via email, Planning & Urban Design Director Todd Okolichany said that the 444 Beaucatcher Road was permitted in 2012 and had 12 units. It's possible that sidewalks were not required at that time. He said that the planner for that project still works from the City and he felt sure that the project

would not have been approved if it hadn't conformed to the City's standards. Councilwoman Mayfield asked that these concerns be addressed prior to the final vote on this matter.

Mr. Chris Day, with Civil Design Concepts, said this project proposes 40 affordable housing. They had a neighborhood meeting in December and heard concerns of trash, landscaping, etc. All traffic ties to Restaurant Court. They are providing required buffers. Regarding trash, they will have a dumpster on site that will be managed. At this time they have no commitments on renewable energy components.

Mayor Manheimer opened the public hearing at 5:59 p.m.

Two individuals spoke about the concern of problems associated with the developer's prior development at 444 Beaucatcher Road. Concerns included garbage, no recycling, vegetative buffer, etc.

In accordance with recent legislation amending North Carolina G.S. § 166A-19.24(e), regarding public hearings conducted during remote meetings, written comments for this public hearing will be accepted for an additional 24 hours. Therefore, Vice-Mayor Wisler moved to recess this item until June 9, 2020, at which time this public hearing will be voted on. This motion was seconded by Councilwoman Mayfield and carried unanimously by roll call vote.

In response to Vice-Mayor Wisler, City Attorney Branham said that when this matter comes back up for final vote, the public hearing portion of this process will have been concluded, but City Council will be able to discuss the item prior to any vote.

#### **B. PUBLIC HEARING TO CONSIDER A LAND USE INCENTIVE GRANT FOR TRIBUTE DEVELOPMENT COLLIER AVENUE APARTMENTS**

Community Development Program Director Paul D'Angelo said that this is the consideration of a resolution granting a land use incentive grant for Tribute Development Collier Avenue Apartments. This public hearing was advertised on March 13, 2020. On March 13, 2020, this public hearing was continued to April 14, 2020. On April 14, 2020, this public hearing was continued to May 12, 2020. On May 12, 2020, this public hearing was continued to this date.

**Action Requested:** Approve the application for the Land Use Incentive Grant application for Tribute Companies Collier Development.

#### **Review:**

- Tribute Company has applied for a Land Use Incentive Grant (LUIG) for their development at 11 Collier Avenue per the LUIG policy adopted by City Council and amended on October 22, 2019.
- The development consists of 54 rental apartments with 100% (54) of the homes proposed serving individuals and families earning between 60% and 80% Area Median Income (AMI) for 20 years.
- This project is located in the Asheville Central Business District -
  - 11 Collier Avenue (PIN# 9648-38-5770)
- The developer estimates a total development cost of \$6.5M.
- Tax Value of the property, to be based on the Buncombe County Tax Assessment estimate, is \$4,776,599 post-completion.
- The project, as presented to staff, meets the following Eligibility Requirements:
  - The proposed development consists of two 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 (AMI).

- The affordable units will be affordable to and leased to income-eligible households for at least 20 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.
- The proposed development must be 70% residential in use based on square footage not to include a parking structure if applicable.
- Per the LUIG Scoring Matrix and based upon the policy, the project will receive 110 total points for affordability and an additional 50 points for the location for a total score of 160 points. Per the policy, this will equal 21 years of grants in the amount of the City Property Taxes payable on the Collier Ave. Development.

**Proposal:**

- Affordable Rental Housing
  - The proposed project will provide fifty-four (54) affordable units (100% of the units) to individuals and families earning between 60% to 80% of the area median income for an affordability period of twenty (20) years. Under this category, the project qualifies for 100 points.
- Rental Assistance
  - The proposed project will accept 5 Housing Choice Vouchers / Rental Assistance in the community, and possibly consider more. Under this category, the project qualifies for 10 points.
- Superior locational efficiency
  - The proposed project is located within .25 mile of a 1/2 hour transit stop served by an existing sidewalk, within the Central Business District, within 1 mile from a job or urban center, and within a .5 mile from a Transportation Amenity. Under this category, the project qualifies for 50 points.
- Staff has scored the project with 160 points, which qualifies the project for twenty-one years (21) of Land Use Incentive Grant.

**Council Goal(s):**

- Quality Affordable Housing
- An Equitable and Diverse Community

**Committee(s):**

- Housing & Community Development Committee - February 11, 2020 - approved
- Finance & HR Committee - February 25, 2020 - approved

**Pro(s):**

- The proposed project will provide 54 affordable rental housing units to households earning 80% or less of area median income;
- The proposed project will have an affordability period of twenty (20) years;
- The proposed project addresses the pressing need for affordable one-bedroom apartments (54);
- The proposed project should have a significant economic impact. Construction wages and material purchases will positively affect the local and regional economy;
- 54 affordable units located in the central business district (walkability score of 87 - very walkable, bike score of 70 - very bikeable) provides options for our downtown community workers who fall within the 80% AMI incomes.
- Tribute Companies will communicate with the Asheville Housing Authority as the development prepares to come online that they are accepting Housing Choice Vouchers.

**Con(s):**

- Cost estimates are not yet fully developed, and project costs as presented may change as it moves towards development.
- The Collier Development, while not required, offers no parking for its residents and can add to the individual or family transportation costs.

**Fiscal Impact:**

- The parcel has a combined current tax value of \$521,000 and pays city property taxes of approximately \$2,235 annually.
- Under the estimated tax value of \$4,776,599 post-completion, the annual city property tax will be approximately \$20,487.
- The difference is \$18,251 which would be granted to the property owner annually after payment for 21 years.
- For 21 years and 54 affordable units at or below 80% AMI, the city will grant back a total of \$383,292 over the 21 years of the LUIG which equals \$7,098 per unit of subsidy which is lower than the estimate of up to \$80,000 in subsidy for 80% AMI homes as suggested by our Lord Aeck Sargeant consultants and a subsidy cap that has been noted in other LUIG Staff Reports.
- After year 21, the City will receive the approximate \$20,487 annually in city tax revenue (depending on future property tax increases, etc.). Please note the City will still receive property taxes of approximately \$2,235 in years 1 - 21.

Councilwoman Mayfield said that many people are trying to preserve this property and wanted the public to know that if this land use incentive grant gets approved, that does not mean that negotiations with the developer are finished. Those efforts are continuing.

Mayor Manheimer opened the public hearing at 6:19 p.m.

Mr. Chris Day, with Civil Design Concepts, said that they are in active conversation with Ravenscroft Reserve to preserve this land.

Two voicemail comments were received opposing this item, as this is the last potential public green space in the South Slope neighborhood.

Councilman Haynes confirmed that voting on recessing this matter does not constitute support for the project.

In accordance with recent legislation amending North Carolina G.S. § 166A-19.24(e), regarding public hearings conducted during remote meetings, written comments for this public hearing will be accepted for an additional 24 hours. Therefore, Councilman Young moved to recess this item until June 9, 2020, at which time this public hearing will be voted on. This motion was seconded by Vice-Mayor Wisler and carried unanimously by roll call vote.

**C. PUBLIC HEARING TO AMEND THE 2019-20 U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT ANNUAL ACTION PLAN**

Vice-Mayor Wisler moved to continue the public hearing to amend the 2019-20 U.S. Dept. of Housing & Urban Development Annual Action Plan to June 9, 2020. This motion was seconded by Councilwoman Smith and carried unanimously by roll call vote.

**D. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO A PREVIOUSLY APPROVED CONDITIONAL ZONING AT 137 BROAD STREET FROM COMMUNITY BUSINESS I TO COMMUNITY BUSINESS I/CONDITIONAL ZONE TO INCLUDE AN ADJACENT PARCEL FOR THE CONSTRUCTION OF A NEW MIXED-USE BUILDING**

Councilman Young moved to continue this public hearing to consider an amendment to a previously approved conditional zoning at 137 Broad Street from Community Business I to Community Business I/Conditional Zone to include an adjacent parcel for the construction of a new mixed-use building until July 28, 2020. This motion was seconded by Vice-Mayor Wisler and carried unanimously by roll call vote.

**E. PUBLIC HEARING RELATIVE TO AMENDING THE UNIFIED DEVELOPMENT ORDINANCE TO UPDATE OPEN SPACE REQUIREMENTS**

Councilman Young moved to continue this public hearing to consider an ordinance to amend the Unified Development Ordinance to update open space requirements until June 23, 2020. This motion was seconded by Vice-Mayor Wisler and carried unanimously by roll call vote.

**V. UNFINISHED BUSINESS:**

**VI. NEW BUSINESS:**

**A. RESOLUTION NO. 20- 96- RESOLUTION APPROVING A HOUSING TRUST FUND LOAN AWARD FOR 2 RESTAURANT COURT RENTAL COMMUNITY, BEAUCATCHER VISTA LLC**

Director of Community Development Programs Paul D'Angelo said that this is consideration of support of a request by Beaucatcher Vista LLC to utilize the Housing Trust Fund to construct affordable rental housing at the property located at 2 Restaurant Court.

**Review::**

- Kirk Booth d/b/a as Beaucatcher Vista LLC has proposed the development of a 40-unit, 100% affordable multifamily property on a 1.31 acre parcel located at 2 Restaurant Court (PIN #9658-08-2350) in Asheville directly off of Tunnel Road. All 40 units are intended to be 1 bedrooms, with 30 of the units set aside for households at or below 60% of Area Median Income (AMI) and the remaining 10 for 80% AMI households.
- Since 2009, Mr. Booth has completed 9 affordable housing projects in partnership with the City of Asheville resulting in 136 affordable units. This will be his second project using a factory-built product manufactured by Clayton Homes in Tennessee. The technology promises a faster, more efficient construction process, with on-site responsibilities restricted mostly to installation and finishing. He anticipates the units will be available by early 2021.

**Proposal:**

- The developer seeks a loan of \$1,000,000 from the City's Housing Trust Fund (HTF). In addition, the developer has requested a Land Use Incentive Grant (LUIG) award estimated at \$289,481.85, which request will be considered at the May 26, 2020, Council meeting. Loan commitments from TruPoint Bank for \$1,910,600 and Buncombe County for \$296,334 have already been secured. The development partnership is committing the property (valued at \$786,000) as equity.
- The units will be located in two separate buildings framing an interior breezeway, and set back towards the rear of the property facing resident parking. All units will be

approximately 450 square feet, and possess full baths, kitchens, and enclosed bedrooms.

- Units will be made available to qualified affordable residents, as well as persons possessing rental assistance. The developer has a demonstrated history of close engagement with the Asheville Housing Authority, Homeward Bound, and other entities providing resident placement and rental assistance.

**Council Goal(s):**

- Quality Affordable Housing
- An Equitable and Diverse Community

**Committee(s):**

- None

**Pro(s):**

- The project produces 40 units of affordable housing at a location near the City's core, with good access to transit and essential services. The developer's commitment to set aside the majority of these units for 60% AMI households and citizens utilizing rental assistance addresses one of the City of Asheville's highest stated needs.
- The per unit HTF subsidy of \$25,000 per affordable unit (\$32,237.05 of combined City subsidy) which is lower than the current estimate of up to \$80,000 in subsidy for 80% AMI homes as suggested at the Affordable Housing Workshop on September 6, 2019.
- Mr. Booth is an experienced developer, and familiar with City of Asheville affordable housing programs and the expectations associated with them.
- The developer's use of a modular construction product promises a less risk versus a fully site-built construction process.

**Con(s):**

- None.

**Fiscal Impact:**

- The project would require \$1,000,000 from the City's Housing Trust Fund.
- The loan will be structured to require full repayment of principal and interest (accruing at 2% annually) over a term of 20-years.

In response to Vice-Mayor Wisler, City Attorney Branham said that this action is to approve a Housing Trust Fund loan. If the land use incentive grant requested is not approved, the development would no longer be viable and there would be no Housing Trust Fund loan for this development.

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

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

Councilwoman Mayfield moved to approve the request by Beaucatcher Vista LLC to borrow funds from the Housing Trust Fund. This motion was seconded by Councilman Young and carried unanimously by roll call vote.

**RESOLUTION BOOK NO. 41 - PAGE 339**

**VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:**



Five voicemail comments were received, four of which were concerned about fireworks in west Asheville; and one opposing the re-opening of non-essential businesses during COVID-19. One live call-in supported raising all firefighters to \$15/hour and also supported efforts for virtual board/commission meetings. Deputy Police Chief James Baumstark provided Council with an update on the concerns about fireworks in west Asheville stating that they are increasing patrol in the Pisgah View area (which seems to be the source of the fireworks) to talk to residents, using social media to advise people of the danger of fireworks and educate them which fireworks are legal and which are not, etc. Councilwoman Mayfield also noted that she spoke with the Executive Director of the Housing Authority who will remind tenants about quiet times requirements in their leases.

**VIII. ADJOURNMENT:**

Mayor Manheimer adjourned the meeting at 6:51 p.m.

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CITY CLERK

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MAYOR