

Tuesday – April 26, 2022 - 2:30 p.m.

Budget Worksession

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Sheneika Smith; Councilwoman Sandra Kilgore; Councilwoman S. Antanette Mosley; Councilwoman Kim Roney; Councilwoman Sage Turner; Councilwoman Gwen C. Wisler; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

Finance Director Tony McDowell said that today’s key takeaways will be (1) Recommendations will be based on (a) available resources; (b) Internal work; (c) Council priorities; and (d) Information gathered and work completed in prior budget processes; (2) In the current labor market, being a competitive employer is essential to service delivery; and (3) Limited capacity is available to fund new or expanded services, including additional capital projects.

Mr. McDowell then reviewed the budget process summary to date as follows: (1) February 22 Work Session (a) Overall financial position is positive; and (b) Overview of capital planning and update on capital projects; (2) March 18 Council Retreat (a) Inflationary pressures are impacting existing services; and (b) Starting a comprehensive facility assessment to guide future capital investments; and (3) April 12 Work Session (a) Lingering impacts of the pandemic have created budget challenges; and (b) Review of fund balance, personnel budgeting, Parking Fund and Transit Fund.

He reiterated the following Council priorities: Equitable & Affordable Housing & Stability; Houselessness Strategies; Improve & Expand Core Services; Neighborhood Resilience; Reimagining Public Safety; and Reparations.

The General Fund summary is (1) Baseline revenues: **total growth of \$8.0 - \$9.5 M** (a) Normal property tax revenue growth; (b) Continued sales tax revenue growth; and (c) No other substantial changes in revenues; and (2) Baseline expenses: **total growth of \$5.9 - \$6.3 M** (a) Growth in personnel costs; and (b) Inflation and price volatility in operating costs.

The General Fund revenue summary is as follows:

	Change
Property tax growth (2.5%)	\$ 2.4M
Sales tax growth (7%)	\$ 6.3M
<i>Additional revenue from fees and charges will be included once adopted at the April 26 regular City Council meeting.</i>	

The General Fund expense summary is as follows:

Personnel Costs	Change
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Employer retirement contribution	\$ 520,000
Adjustment to APD vacancy budget	\$ 560,000
Additional AFD overtime	\$ 1,935,000
Inflation & Other Operating	
Capital contribution	\$ 239,000
Land Use Incentive Grants	\$ 350,000
Additional fuel costs	\$ 340,000
Recycling contract increase	\$ 100,000

Budget Manager Taylor Floyd reviewed the many investments in Council priorities, and gave several examples of potential new investments in Council priorities - \$3 Million for 4% adjustment (hired before January 2022), 2.5% adjustment (hired in 2022), and recruitment and retention incentives; background check for Asheville Police Department (\$75k); budget software (\$50k); Code Purple sheltering (\$50k); GIS and asset management (\$100k); Homeless Specialist (\$90k); HR software (\$150k); Parks maintenance relocation (\$200k); Street Outreach (\$115k); Traffic engineering (\$120k); traffic signs and pavement markings (\$100k); and urban forester (\$100k). Examples of new funding one-time requests include Sanitation & waste reduction (\$405k); opioid settlement planning (grant from Dogwood \$190k); Comprehensive Plan implementation (\$30k); missing middle housing stud (\$85k), Disparity Study (\$350k); and emergency preparedness planning (\$250k).

The General Fund summary is (1) Baseline revenues: **total growth of \$8.0 - \$9.5 M** (a) Normal property tax revenue growth; (b) Continued sales tax revenue growth; and (c) No other substantial changes in revenues; (2) Baseline expenses: **total growth of \$5.9 - \$6.3 M** (a) Growth in personnel costs; and (b) Inflation and price volatility in operating costs; and (3) Recommended salary adjustment: **total of \$3.0 M**.

Using a chart, he then reviewed the five-year Capital Improvement Program (CIP) budget. He reviewed the existing Fiscal Year 2023 Plan (from the Fiscal Year 2022 budget). Potential adjustments to the Fiscal Year 2023 Capital could include Memorial Stadium; Municipal Building repairs; Vance Gap Road landslide; Bridge maintenance; Municipal Golf Course; and Livingston Street.

Below is the Memorial Stadium funding strategies:

<i>Estimated Project Cost:</i>	\$ 4,342,345		
Potential Funding Sources			

ARPA	\$ 2,500,000	\$ 1,500,000	\$ -
GO Bond (Parks)	\$ 944,000	\$ 944,000	\$ 944,000
CIP Contingency	\$ 750,000	\$ 750,000	\$ 750,000
Unspent Fleet Replacement	\$ 148,345	\$ 239,345	\$ 300,000
CIP Unspent (Savings from completed projects)	\$ -	\$ 909,000	\$ 909,000
<i>Additional Funding Required</i>	\$ -	\$ -	<i>(\$1,439,345)</i>

He then reviewed the Council budget timeline.

Capital Projects Director Jade Dundas provided the General Obligation bond sidewalk project update. He then reviewed (1) Update of remaining projects - Shiloh Area Improvements; Vermont Avenue; New Haw Creek Road; Johnston Boulevard; Airport Road; and Onteora Boulevard (a) Scope explanation; and (b) Challenges; and (2) Review delivery timeframe.

Mr. Dundas then reviewed the completed bond sidewalk projects of Fulton Street, Haywood Street, Hill Street, Gerber Road and Mills Gap Road.

There was considerable discussion surrounding many topics, with main topics being: living wages; support for a line item in budget for funding for reparations; questionable need for a street outreach individual or partnership with others for this service; use of vacancies in public safety; affordable housing bond; pass on grant from Dogwood for \$190k for opioid settlement due to small amount of money City will be receiving and ask for possible grant for reparations; is transit delivering what is expected; City applications for the Tourism Development Product Development funds; ask that City dashboard regarding capital projects be updated and request that all sidewalk projects be on the City' website with sources of funding included; employee salaries; need to improve our culture and relationships with all City employees; and disappointment that we hear only from the public one time and at the end of the process.

City Manager Campbell said that staff will come back to Council with recommendations from the direction by Council given today, i.e., reparations; street outreach; employee salaries, etc.

It was the consensus of Council that between now and May 24 (presentation of the Manager's recommended budget to Council), that individual Council members reach out to the City Manager to give their priorities and what projects they are willing to take off the table to achieve their priorities.

At 4:35 p.m., Mayor Manheimer adjourned the budget worksession.

Tuesday – April 26, 2022 - 5:00 p.m.

Regular Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Sheneika Smith; Councilwoman Sandra Kilgore; Councilwoman S. Antanette Mosley; Councilwoman Kim Roney; Councilwoman Sage Turner; Councilwoman Gwen C. Wisler; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

PLEDGE OF ALLEGIANCE

Mayor Manheimer led City Council in the Pledge of Allegiance.

I. PROCLAMATIONS:

A. PROCLAMATION PROCLAIMING MAY, 2022, AS “BUILDING SAFETY MONTH”

Mayor Manheimer read the proclamation proclaiming May, 2022, as “Building Safety Month” in the City of Asheville. She presented the proclamation to Chief Building Official Mark Matheny, who briefed City Council on some activities taking place during the month.

II. CONSENT AGENDA:

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON APRIL 12, 2022

B. RESOLUTION NO. 22-67 - RESOLUTION TO ACCEPT A STATE EMERGENCY RESPONSE DISASTER RELIEF FUND GRANT FROM THE DEPT. OF PUBLIC SAFETY FOR \$1.2 MILLION FOR THE SULPHUR SPRINGS STORMWATER IMPROVEMENT PROJECT

Action Requested: Adoption of a resolution authorizing the City Manager to enter into an agreement with the NCDPS to accept a directed grant in the amount of \$1,200,000 to be used for the Sulphur Springs Stormwater Improvements Project.

Background:

- The “Current Operations Appropriations Act of 2021” also known as NC General Assembly Session Law 2021-180, House Bill 105 (S105v8), awarded a Directed Grant to the City of Asheville for the Sulphur Springs Stormwater Improvements Project in the amount of \$1,200,000.
- For the grant purpose, this project is also known as the West Sulphur Springs Drainage System Project.
- The grant is administered by the North Carolina Department of Public Safety (NCDPS).
- The agreement with the NCDPS shall be effective starting November 18, 2021 and shall terminate on June 30, 2023.
- The appropriation shall be distributed on a quarterly basis from North Carolina General Fund for \$300,000 over four consecutive quarters totaling \$1,200,000.
- As the recipient of the direct grant, the Stormwater Division will be required to submit quarterly project status reports that include employee, service and contract, goods, administration, and other expenses; along with a descriptive summary of how the funds were used including outcomes and specific deliverables.
- Said direct grant funds are subject to being audited, inspected and monitored at any time by North Carolina Department of Public Safety (NCDPS) upon request.

- City of Asheville Resolution 21-167 authorized the City Manager to execute a contract in the amount of \$990,022.00 with Appalachian Site Work Inc. for the construction of the Sulphur Springs Stormwater Improvements Project.
- The contingency amount is \$198,004.20, for a total budget of \$1,188,026.40.
- This project will address significant drainage issues along Sulphur Springs Road that cause flooding in the roadway at the low point of the basin (the intersection with an unnamed tributary of Hominy Creek).
- This project will install a new drainage system to address the roadway flooding and provide a system that can be expanded with future projects along the contributing side streets.
- The minor culvert extension and associated stream stabilization at the inlet and outlet will address existing steep slopes at the roadway and provide a more sustainable stream bank at the outfall that will not be as prone to erosion.
- Approximately 2,100 linear feet of new stormwater system will be installed inside the rights-of-way of Sulphur Springs Road, Covington Road, Clinton Road, and Belmont Avenue to improve drainage and reduce excessive stormwater on the roadway.
- Sulphur Springs Road will be paved following the Stormwater Project as part of the resurfacing from the 2016 Transportation bond funding.
- Paving of side street sections of the project is funded by the Stormwater Capital Fund.
- This project is funded with 2016 General Obligation (GO) Bond funds and Stormwater Capital Funds.
 - The GO Bond contribution is \$20,000.00 to replace existing stormwater infrastructure.
 - The Stormwater Capital Fund contribution is \$1,168,026.40 to install new stormwater infrastructure.
- Construction began on October 4, 2021, and is approximately 50% complete.
- The anticipated completion date is September 30, 2022.

Vendor Outreach Efforts:

(Information below is from the original project outreach)

- The City's Goal Setting Committee set an annual aspirational goal for construction projects at 4.6% MBE participation, in alignment with the City's Business Inclusion Policy.
- Staff performed outreach to minority- and women-owned businesses through solicitation processes which include posting on the State's Interactive Purchasing System, the City of Asheville website, the City of Asheville Twitter account, and requiring prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services.
- Stormwater staff also reached out to MWBE contractors that were identified through Yoruba Life, NCDOT HUB certified website, and The Color of Asheville directory.
- Past contractors who have shown interest in bidding on City of Asheville projects were informed about the project's advertisement.
- During the preparation for advertising this contract, the contract was shared with the Business Inclusion Manager in the Community & Economic Development Department.
- Out of the four (4) bids received, none self-identified as a MWBE business owner.
- All four (4) bidders indicated that they would be utilizing a MWBE sub-contractor (three woman-owned, one Black American-owned).
- The lowest responsive, responsible bidder, Appalachian Sitework Inc., provided very thorough documentation on their outreach.
- City of Asheville Business Inclusion Manager approved the good-faith effort by the contractor on August 2, 2021.
- Appalachian Sitework submitted documentation that they would use JLS Company, which is a woman-owned business, for paving.

Council Goal(s):

- A Financially Resilient City
- A Clean and Healthy Environment

Committee(s):

- None

Pro(s):

- Because the project is currently funded with Stormwater Capital funds and General Obligation Bond funds, the directed grant will allow previous funding to be used on other upcoming projects for the Stormwater Division.

Con(s):

- None

Fiscal Impact:

- Funding for this project was already budgeted in the General Obligation Bond Fund (2016 GO Bond Program) and the Stormwater Capital Fund.
- With the acceptance of the directed grant, those originally budgeted funds can be applied to other much needed stormwater capital improvement projects.

Motion:

- Motion to adopt a resolution authorizing the City Manager to enter into an agreement with the North Carolina Department of Public Safety to receive \$1,200,000 in directed grant funds for the Sulphur Springs Stormwater Improvements Project.

RESOLUTION BOOK NO. 43 - PAGE 68

- C. RESOLUTION NO. 22-68 - INITIAL RESOLUTION AUTHORIZING THE CITY MANAGER OR THE FINANCE DIRECTOR TO PURSUE AND NEGOTIATE ON BEHALF OF THE CITY DEBT FINANCING FOR CAPITAL PROJECTS WITH A DRAW PROGRAM THAT INCLUDES AN INSTALLMENT FINANCING AND THE RELATED ISSUANCE OF INTERIM LIMITED OBLIGATION BONDS IN AN AMOUNT NOT TO EXCEED \$42,000,000 FOR CONSTRUCTION OF VARIOUS GENERAL GOVERNMENT CAPITAL PROJECTS; AND SETTING A PUBLIC HEARING FOR MAY 20, 2022, FOR PUBLIC COMMENT ON THE PRELIMINARY DEBT RESOLUTION**

Action Requested: Adoption of an initial resolution authorizing the City Manager or the Finance Director to pursue and negotiate on behalf of the City debt financing for capital projects with a draw program that includes the issuance of interim Limited Obligation Bonds (LOBs) in an amount not to exceed \$42,000,000 for construction of various general government capital projects; and setting a public hearing for May 10, 2022, for public comment on the proposed financing.

Background:

- The City has been utilizing a multi-year Capital Improvement Program (CIP) and Debt Model since fiscal year 2013-14.
- As a part of that multi-year financial model, the City routinely enters into short-term draw programs with financial institutions through the issuance of interim Limited Obligation Bonds (LOBs).
- The short term draw programs provide cash to reimburse the City for capital expenses prior to the issuance of long term fixed rate financing.

- Staff is seeking Council approval of the initial resolution authorizing the installment financing and related issuance of 2022 Interim Limited Obligation Bonds (LOBs) in an amount not to exceed \$42,000,000.
- The projects covered under this debt issuance include a wide range of strategic capital goals the City wishes to meet in public safety, multi-modal transportation, economic development, quality of life, and facility maintenance.
- Specific projects of note covered under this debt issuance include the Broadway Public Safety Station, a portion of the Dr. Wesley Grant/Southside Center project, City Hall elevator modernization, and the Nasty Branch and French Broad West greenways.
- Staff is also seeking Council approval to set a Public Hearing on this debt issuance for May 10, 2022.
- Approval of the final resolution is scheduled for Council's May 24, 2022 meeting.

Council Goal(s):

- A Financially Resilient City

Pro(s):

- Allows the City to move forward with the Capital Improvement Program (CIP) and Draw Program financing.

Con(s):

- None

Fiscal Impact:

- The interim LOBs draw program includes an amount not to exceed \$42,000,000.
- Approximately \$13,300,000 will likely have already been expended and will be taken on the first draw at closing as a reimbursement to the City.
- The City then expects to spend the remaining monies over a twenty-four-month period.
- The City will then look to convert the program into a long-term fixed rate financing at or around July 2024.
- The debt service payments for this financing are already included in the multi-year CIP/Debt Financial Model.

Motion:

- Motion to adopt an initial resolution authorizing the City Manager or the Finance Director to pursue and negotiate on behalf of the City debt financing for capital projects with a draw program that includes an installment financing and the related issuance of interim Limited Obligation Bonds (LOBs) in an amount not to exceed \$42,000,000 for construction of various general government capital projects; and setting a public hearing for May 10, 2022 for public comment on the preliminary debt resolution.

RESOLUTION BOOK NO. 43 - PAGE 69

D. RESOLUTION NO. 22-69 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH FRENCH BROAD PAVING FOR THE WEAVER PARK COURTS REPLACEMENT CONSTRUCTION PROJECT

Action Requested: Adoption of resolution authorizing City Manager to execute a contract with French Broad Paving, \$287,800, for the Weaver Park Courts Replacement project; further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$28,700 (10%).

Background:

- Parks and Recreation has made these improvements a priority and designated capital funds to build this project.
- The park includes the reconstruction of the tennis and basketball courts, as well as the repavement of the parking lots.
- Construction is estimated to start in early summer and be complete this fall.
- Bids were received on April 5th, 2022 as follows:
 - BH Graning, Sylva, NC , Base bid of \$303,833.98, Bid with Alternates: \$464,640.24
 - BAllen, Candler, NC, Base bid of \$284,000, Bid with Alternates: \$412,900.
 - French Broad Paving, Marshall, NC, Base bid of \$180,000, Bid with Alternates: \$287,800
- Base budget item: Reconstruction of the tennis courts.
- Alternates include: Updating the basketball court with new paving, striping and goals and repaving both parking lots.
- French Broad Paving 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.
- French Broad Paving is a women owned business and has indicated Appalachian Paving, a women owned business in Swannanoa, NC as a subcontractor.

Council Goal(s):

- A well planned and livable community

Committee(s):

- None

Pro(s):

- Planned updates are able to be completed.
- These improvements will extend the life of existing amenities in the park.

Con(s):

- Construction will disrupt tennis activities at Weaver Park during construction.

Fiscal Impact:

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

Motion:

- Adoption of resolution authorizing City Manager to execute a contract with French Broad Paving, \$287,800.00, for the Weaver Park Courts Replacement project; further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$28,7000 (10%).

RESOLUTION BOOK NO. 43 - PAGE 74

E. RESOLUTION NO. 22-70 - RESOLUTION AFFIRMING PERSONNEL POLICY PROCESSES

Action Requested: Adoption of Resolution Affirming Personnel Policy Authority

Background:

- Under the Asheville City Charter, the City Manager possesses sole authority to hire, remove, and supervise all City employees.
- Under that authority, the City Manager may unilaterally adopt policies dealing with personnel matters such as retention and recruitment, discipline, ethics, vehicle use, and other subjects pertaining to employee administration.
- The City Council may adopt ordinances pertaining to personnel matters (pay plans, non-discrimination ordinance, etc.) not exclusively falling under the City Manager's authority.
- In addition, per the Civil Service Act, the Civil Service Board may adopt substantive personnel rules subject to City Council approval.
- In 1990 the City combined the then-existing City Manager adopted policies with the then existing-Civil Service Board rules and council-passed ordinances into a single personnel policy handbook.
- Although it was not necessary to do so, the City Council authorized that action in a resolution (90-129), and also authorized changes when the handbook was amended because of changes to the Civil Service Board's rules in 1999 (99-26).
- The handbook is now largely obsolete due to updated personnel policies and the repeal of nearly all Civil Service Board rules.
- Because Council authorized the handbook more than thirty years ago, it is appropriate that the City Council clarify and affirm the City Manager's authority with respect to personnel policies.

Pro(s):

- Provide clarity to City staff regarding which policies are applicable.

Con(s):

- None

Fiscal Impact:

- None

Motion:

- Motion to approve resolution affirming personnel policy authority.

In response to Councilwoman Roney, City Attorney Branham explained that this resolution is affirming which body is responsible for what as defined by the City Charter and State Statutes. This will have no effect on general policy matters within City Council's authority.

RESOLUTION BOOK NO. 43 - PAGE 75

- F. RESOLUTION NO. 22-71 - RESOLUTION AMENDING THE 2022 CITY COUNCIL MEETING SCHEDULE TO INCLUDE A BOARDS/COMMISSIONS RESTRUCTURING WORKSESSION ON MAY 10, 2022, BEGINNING AT 2:30 P.M. IN THE BANQUET HALL AT HARRAH'S CHEROKEE CENTER - ASHEVILLE, LOCATED AT 87 HAYWOOD STREET, ASHEVILLE, N.C.**

RESOLUTION BOOK NO. 43 - PAGE 77

- G. RESOLUTION NO. 22-72 - RESOLUTION AUTHORIZING THE POSSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES AND/OR UNFORTIFIED WINE AT THE ASHEVILLE CITY SOCCER CLUB GAMES ON MAY 6, 20, 30, JUNE 6, 8, 11, 13, 21, 24, 27, JULY 6, 9, 11, 22 AND 24, 2022**

RESOLUTION NO. 22-73 - RESOLUTION AUTHORIZING THE POSSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES AND/OR UNFORTIFIED WINE AT THE COMMUNITY CONCERT ON MAY 7, 2022

RESOLUTION NO. 22-74 - RESOLUTION AUTHORIZING THE POSSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES AND/OR UNFORTIFIED WINE AT THE HOLA CAROLINA FOR HOLA ASHEVILLE ON JUNE 11, 2022

Action Requested: Adoption of resolutions to permit the possession and consumption of malt beverages and/or unfortified wine at the Asheville City Soccer Club Games, Community Concert, and Hola Asheville.

Background:

- N. C. Gen. Stat. sec. 18B-300(c) authorizes the City by ordinance to regulate or prohibit the consumption and/or possession of open containers of malt beverages and unfortified wine on the public streets and on property owned, occupied or controlled by the City and to regulate or prohibit the possession of malt beverages and unfortified wine on public streets, alleys or parking lots which are temporarily closed to regular traffic for special events.
- The City Council of the City of Asheville has adopted an ordinance pursuant to that statutory authority; and that ordinance, codified as Section 11-11 in the Code of Ordinances of the City of Asheville, provides that the City Council may adopt a resolution making other provisions for the possession of malt beverages and/or unfortified wine at a special event or community festival.
- The following organizations have requested that City Council permit them to serve beer and/or unfortified wine at their events and allow for consumption at the events:
 - Asheville Buncombe Adult Soccer Association for the Asheville City Soccer Club Games, to occur at Memorial Stadium on May 6, 20, 30, 2022, June 6, 8, 11, 13, 21, 24, 27, 2022, July 6, 9, 11, 22, 24, 2022 from 4:00 p.m. - 10:00 p.m.
 - Asheville Downtown Association for the Community Concert, to occur at Pack Square Park on May 7, 2022, from 5:00 p.m. - 9:30 p.m.
 - Hola Carolina for Hola Asheville, to occur at Pack Square Park on June 11, 2022, from 11:00 a.m - 7:00 p.m.
- Alcohol boundaries are defined for each request as per the accompanying event site maps.

Council Goal(s):

- These actions have no direct connection with the City Council 2036 Vision.

Committee(s):

- None

Pro(s):

- Allows fundraising opportunities for the sponsoring nonprofit organizations

Con(s):

- None

Fiscal Impact:

- None

Motion:

- Motion to permit the possession and consumption of malt beverages and/or unfortified wine at the Asheville City Soccer Club Games, Community Concert, and Hola Asheville

RESOLUTION NO. 22-72 - RESOLUTION BOOK NO. 43 - PAGE 78

RESOLUTION NO. 22-73 - RESOLUTION BOOK NO. 43 - PAGE 81

RESOLUTION NO. 22-74 - RESOLUTION BOOK NO. 43 - PAGE 84

H. RESOLUTION NO. 22-75 - RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH ALFRED BENESCH & COMPANY FOR DESIGN SERVICES ASSOCIATED WITH MEMORIAL STADIUM PHASE II IMPROVEMENTS

Action Requested: Adoption of a resolution authorizing the City Manager to amend the professional services contract with Benesch increasing the contract by \$267,900.00, for the Memorial Phase II project; and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$26,790 (10%).

Background:

- This project was listed on the Nov. 2016 Parks Bond Referendum.
- Phase I improvements are nearing completion.
- Phase II improvements were clearly defined by Asheville City Council on March 22, 2022. General scope items include:
 - New 6 lane, synthetic surface track (retaining wall required to accommodate maintenance road)
 - Remove and replace existing restroom building; Remove existing concession building.
 - Improvements to the existing playground
 - Install a new walking trail in Mountainside Park which transitions to a shared maintenance drive/walking trail connecting to the paved parking lot
 - Remove western metal bleachers. Explore options for temporary seating in this location. (Which may include the construction of a concrete pad.)
 - Excluded from the scope of Phase II are any physical improvements to the existing parking or work associated with relocating asset management from Hunt Hill.
- The original request for qualifications (RFQ) was reviewed and awarded in 2018.
- This RFQ (298-CPD-17-18-RFQ) envisioned improvements to the site with new and renewed recreational amenities.
- It also included work taking place both at Memorial Stadium and in Mountainside Park.
- This amendment meets the expectations of the original RFQ.
- The Phase II design phase will last approximately 8 months.
- Construction is anticipated to begin summer 2023 with 12 months of construction.
- Estimated cost of the Phase II improvements is approximately \$4.4M.
- Staff will return to Council at a subsequent meeting for approval of the funding plan for the full project.

Vendor Outreach Efforts:

- This is an extension of the original contract.

Council Goal(s):

- A well planned and livable community

Committee(s):

- City Council reviewed and voted on 3/22/2022 to move forward with the Memorial park improvements.

Pro(s):

- Benefits of these park improvements include opportunities for hosting new track events, community health and fitness and responding to community needs and prior commitments.

Con(s):

- Removing and relocating turf and stormwater that was recently installed.

Fiscal Impact:

- As noted above, the total amount of the design contract is \$294,690.00.
- This contract will be funded from previously budgeted Memorial Stadium Capital Improvement Program funding.

Motion:

- Motion to adopt a resolution authorizing the City Manager to amend the professional services contract with Benesch increasing the contract by \$267,900.00, for the Memorial Phase II project; and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$26,790 (10%).

RESOLUTION BOOK NO. 43 - PAGE 87

I. RESOLUTION NO. 22-76 - RESOLUTION AUTHORIZING THE CITY TO APPLY FOR N.C. DEPT. OF ENVIRONMENTAL QUALITY GRANTS AND/OR STATE REVOLVING FUNDS FOR UPGRADES AT NORTH FORK, WILLIAM DEBRUHL AND MILLS RIVER WATER TREATMENT FACILITIES AND THE LEAD SERVICE LINE INVENTORY PROJECT

Action Requested: Adoption of resolution authorizing the Water Resources Department to apply for North Carolina Department of Environmental Quality - Division of Water Infrastructure (NCDEQ-DWI) Grants and/or State Revolving Funding and to authorize the City Manager to sign any documents associated with the acceptance of funds once awarded .

Background:

- The Federal Clean Water Act Amendments of 1987 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction and studies of drinking water treatment works, and/or drinking water distribution systems.
- Grants and/or State Revolving Funds that are approved by NCDEQ-DWI, can be used for the Water Resources Department projects which include Water Treatment Plant upgrades (design and construction), Lead Service Line Inventory, & Distribution System Projects.
- Awarded funding will be utilized following the Water Resources Master Plan and new requirements from NCDEQ for Water Treatment Facilities.

Vendor Outreach Efforts:

- N/A

Council Goal(s):

- A Clean and Healthy Environment

Committee(s):

- N/A

Pro(s):

- The funds received will be grants or low interest loans with potential principal forgiveness.
- Funds received will enable the Water Resources Department to move forward with needed projects and supplement capital expenditures.

Con(s):

- None

Fiscal Impact:

- Water Resources could receive up to \$5 Million of ARPA funds for infrastructure improvements and up to \$400,000 for planning and designing future projects.
- Water Resources could receive up to \$30,000,00 of State Revolving Funds low interest loans for water projects.

Motion:

- Motion to adopt a resolution authorizing the Water Resources Department to apply for North Carolina Department of Environmental Quality - Division of Water Infrastructure (NCDEQ-DWI) Grants and/or State Revolving Funding, and to authorize the City Manager to sign all documents associated with the acceptance of funds once awarded.

RESOLUTION BOOK NO. 43 - PAGE 88

J. RESOLUTION NO. 22-77 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH MOORE & SON SITE CONTRACTORS FOR THE FOREST HILL/CALEDONIA ROAD STORMWATER IMPROVEMENT PROJECT

ORDINANCE NO. 4939 - BUDGET AMENDMENT TO ACCEPT A PROJECT REIMBURSEMENT FROM METROPOLITAN SEWERAGE DISTRICT, FOR SHARED PAVING COSTS IN THE FOREST HILLS/CALEDONIA ROAD STORMWATER IMPROVEMENT PROJECT AREA

Action Requested: Adoption of a resolution authorizing the City Manager to execute a contract amendment with Moore & Son Site Contractors, Inc. in the amount of \$37,081.00 for the Forest Hill/Caledonia Stormwater Improvements Project - Contract Amendment # 1; and adoption of a budget amendment to accept a project reimbursement from the Metropolitan Sewerage District (MSD) of \$24,721.21 for shared paving costs in the project area.

Background:

- The original contract amount was \$538,290 with a contingency of \$107,658 for a total budget of \$645,948. (Resolution 21-55)
- This project made improvements to the stormwater system including the addition of concrete curb along Forest Hill Drive and Caledonia Road in the Kenilworth neighborhood.
- Several new inlets were added and new pipes installed inside the right-of-way to improve drainage and reduce flooding on the roadway.
- Additionally, road safety improvements were made including a modification of the intersection of Caledonia Road and Forest Hill Drive and the installation of speed humps to improve safety.
- This project was funded with 2016 General Obligation (GO) bond funds, Stormwater capital funds, and General capital funds.
 - GO bond contribution was \$383,368.80
 - Stormwater Capital Fund contribution was \$254,179.20

- General Capital Fund contribution (speed humps only) was \$8,400.00
- This project was substantially completed on January 13, 2022.
- The roadway striping couldn't be done during the cold weather months, but is scheduled to be completed in April 2022.
- Additional asphalt was required to create a proper crown on the roadway to help direct stormwater to new inlets; this over-run in asphalt needed to complete the project created a budget shortfall in the amount of \$37,081.00.
- The Metropolitan Sewerage District (MSD) is participating in the reimbursement for shared paving costs in the project area that will offset and reduce this project increase by \$24,721.21 for a total budget shortfall of \$12,359.79.
- This remaining shortfall will be covered with other project savings in the Stormwater Capital Fund.

Vendor Outreach Efforts:

(from original Staff Report for the project)

- The City's Goal Setting Committee set an annual aspirational goal for construction projects at 4.6% MWBE participation, in alignment with the City's Business Inclusion Policy.
- Staff performed outreach to minority- and women-owned businesses through solicitation processes which include posting on the State's Interactive Purchasing System, the City of Asheville website, the City of Asheville Twitter account, and requiring prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services.
- Stormwater staff also reached out to MWBE contractors that were identified through Yoruba Life, NCDOT HUB certified website, and The Color of Asheville directory.
- Past contractors who have shown interest in bidding on City of Asheville projects were informed about the project's advertisement.
- During the preparation for advertising this contract, the contract was shared with the Business Inclusion Manager in the Community & Economic Development Department.
- Out of the three (3) bids received, one (1) bidder self-identified as a MWBE business owner and would be utilizing MWBE subcontractors, one (1) bidder indicated that they would be utilizing a MWBE sub-contractor, and one (1) bidder indicated they would self-perform all work on the contract.
- The lowest responsive, responsible bidder indicated they would self-perform all the work on the contract.
- The Asheville Business Inclusion (ABI) Office reviewed this bidder's submission and found the bid was compliant with ABI Policy for a self-performing contractor.
- The two bidders that were utilizing MWBE subcontractors were not selected because their bid amounts were significantly higher than the lowest responsive, responsible bidder.
- Moore & Son Site Contractors, Inc., the lowest responsive, responsible bidder, utilized a woman-owned concrete service.

Council Goal(s):

- A Financially Resilient City
- A Clean and Healthy Environment

Committee(s):

- None

Pro(s):

- The contract amendment will allow the Stormwater Division to finalize required payments to the contractor for additional asphalt that was needed to complete the Forest Hill / Caledonia Stormwater Improvements project.

Con(s):

- None

Fiscal Impact:

- Funding for the contract amendment of \$37,081 will come from a combination of the MSD reimbursement (\$24,721.21) and existing project savings in the Stormwater Capital Fund (\$12,359.79).

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute a contract amendment with Moore & Son Site Contractors, Inc. in the amount of \$37,081, for a total contract amount of \$683,029 for the Forest Hill / Caledonia Stormwater Improvements Project; and adoption of a budget amendment to accept a project reimbursement from the Metropolitan Sewerage District (MSD) of \$24,721.21 for shared paving costs in the project area.

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ORDINANCE BOOK NO. 34 - PAGE 109**

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 Wisler moved for the adoption of the Consent Agenda. This motion was seconded by Councilwoman Kilgore and carried unanimously.

III. PRESENTATIONS & REPORTS: None.

IV. PUBLIC HEARINGS:

**A. PUBLIC HEARING TO CONSIDER THE PERMANENT CLOSING OF A
RIGHT-OF-WAY ALLEY KNOWN AS REAR CLINGMAN AVENUE OFF THE
EASTERN SIDE OF CLINGMAN AVENUE**

**RESOLUTION NO. 22-78 - RESOLUTION PERMANENTLY CLOSING A
RIGHT-OF-WAY ALLEY KNOWN AS REAR CLINGMAN AVENUE OFF THE
EASTERN SIDE OF CLINGMAN AVENUE**

Assistant Transportation Director Jessica Morriss said that this is the consideration of a resolution to permanently close a right-of-way alley known as Rear Clingman Avenue off the eastern side of Clingman Avenue. This public hearing was advertised on April 1, 8 15 and 22, 2022.

Background:

- City Council passed a resolution March 22, 2022 to set a public hearing for the proposed closure on April 26, 2022.
- North Carolina General Statute § 160A-299 grants cities the authority to permanently close streets and alleys.
- Delray Ventures has petitioned for this closure associated with the Avery Project located at 363 Hilliard.

- The Avery Project was approved by the City Council at the March 8, 2022 meeting.
- The City Council initially denied the project at their February 22 meeting.
- This closure will not impede any future transportation connections nor does it conflict with any utility access.
- Signs were placed at two locations along the right-of-way announcing the public hearing and potential closure.

Council Goal(s):

- Well-planned and livable community

Committee(s):

- This closure request was recommended for approval by the Technical Review Committee on November 15, 2021 based on the Avery Project proposal, including the project's site plan, pedestrian improvements, and proposed bike lane improvements.
- The Multimodal Transportation Commission (MMTC) reviewed the ROW closure request on February 23, 2022, following the February 22 City Council meeting.
- Due to the Council's initial denial of the project's Conditional Zoning, the MMTC denied the ROW Closure.
- Staff did not return to the MMTC following the Council's March 8 approval due to time constraints and the Council's reversal on the Avery Project.

Pro(s):

- Promotes sustainable high density infill growth that makes efficient use of existing resources.

Con(s):

- None

Fiscal Impact:

- There will be no fiscal impact related to this closure.

Ms. Morriss said that Delray Ventures has petitioned for this closure. The existing alley is officially named Rear Clingman Avenue. Rear Clingman Avenue connects to the east side of Clingman Avenue and serves the adjacent properties; however, it does not connect through to Pearl Street. The length of the proposed closure is approximately 175 feet and the width is 20 feet. This closure request is associated with the Avery project to be located on the northeast corner of Clingman Avenue and Hillard Avenue at 363 Hilliard. The City Council denied the conditional zoning request for the Avery project at their February 22 meeting. Subsequently, the applicant revised the proposal and returned to City Council on March 8. City Council then approved the conditional zoning request for the Avery proposal on March 8. She said Delray Ventures has proposed, as part of the Avery project, to improve the existing bicycle lane on Hillard Avenue along the project frontage. The existing bicycle lane on Hillard transitions from a separated lane to a shared bike/vehicle lane at Pearl Street and continues to Clingman. The applicant has proposed to widen the street slightly along its frontage to accommodate a full-width separated bike lane from Pearl Street to Clingman. The Technical Review Committee approved the right-of-way closure request based on the proposed project's site plan, the project's improvement of the bike lane on Hilliard, and the project's proposed pedestrian amenities. The Multimodal Transportation Committee met on February 23 and recommended denial of the right-of-way request; however, this was due to City Council's initial denial of the project on February 22. Staff did not return to the Multimodal Transportation Committee following City Council's approval of the project on March 8 due to time constraints.

kim - they lacked information on the future project - they didn't want to make any recommendations until they knew what the future project would be.

Mayor Manheimer opened the public hearing at 5:21 p.m., and when no one spoke, she closed it at 5:21 p.m.

Councilwoman Roney, as liaison to the MMTC, said that there are still lingering questions about City rights-of-way, i.e, what is the public benefit of the land and what is the City's responsibility. She was pleased that our MMTC continues to provide their feedback on these closings.

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

Councilwoman Wisler moved to permanently close a right-of-way alley known as Rear Clingman Avenue, east of Clingman between Patton Avenue and Hilliard Avenue. This motion was seconded by Councilwoman Turner and carried unanimously.

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B. PUBLIC HEARING TO CONSIDER CONDITIONAL ZONING OF 275 DEAVERVIEW ROAD FROM RM-16 RESIDENTIAL EXPANSION DISTRICT TO RESIDENTIAL EXPANSION DISTRICT/CONDITIONAL ZONE

Urban Planner Will Palmquist said that this is the consideration of an ordinance to conditionally zoning 275 Deaverview Road from RM-16 Residential Multi-Family High Density District to Residential Expansion District/Conditional Zone. This public hearing was advertised on April 15 and 22, 2022.

Project Location and Contacts:

- The project site totals 20.69 acres located along Deaverview Rd (PIN 9628-46-1397).
- Owner: Asheville Housing Authority

Summary of Petition:

- The property is currently zoned Residential Multi-family High Density (RM-16) and is designated "Residential Neighborhood" on the city's Future Land Use (FLU) Map. A change in the FLU designation will not be required.
- New building construction includes two 3-story buildings with 12 units each (identified as Buildings 1 and 2 on the site plans), and one 4-story building with 58 units and common amenity space (identified as Building 3 on the site plans) for a total of 82 dwelling units.
- Given the size of the project (over 50 residential dwelling units) a conditional zoning to the Residential Expansion (RES EXP) district is required.
- All the dwelling units will be affordable to households at 60% Area Median Income (AMI) or less, with some units available for households at 30% and 50% AMI. All units will also accept housing choice vouchers.
- Building 1 consists of six 2-bedroom units and six 3-bedroom units. Building 2 consists of eight 3-bedroom units and four 4-bedroom units. And Building 3 consists of 48 1-bedroom units and 10 2-bedroom units.
- The existing Deaverview Apartments Community Center and playground in the southeast corner of the site will be demolished to accommodate Building 3 and the parking lot to the north.
- The existing driveway off of N. Bear Creek Rd will be shifted slightly north in order to serve the new and existing parking areas.

- Maximum building height for multifamily buildings in the RES EXP district is 60'. The total building height of Buildings 1 and 2 in the southwest of the site is 32' and the total building height of Building 3 in the southeast of the site is 42'-8".
- Maximum density in the RES EXP district is 50 units/acre for this project, since at least 20% of the dwelling units are affordable at 80% AML. The proposed 82 dwelling units will replace approximately half of the existing 160 units totals at Deaverview Apartments, resulting in a final unit density of 7.7 units/acre.
- A total of 98 parking spaces are proposed, with 13 being handicap spaces. Based on the number of bedrooms and dwelling units, the minimum/maximum number of required parking spaces is 100/182.
- The RES EXP district requires new 10 foot-wide sidewalks be constructed. The applicant is requesting a technical modification to install five foot-wide sidewalks with an eight foot-wide planting strip. The two segments in front of Buildings 1 & 2 and in front of Building 3 won't connect until construction of the eventual second phase.
- Front yard, rear yard, and side yard setbacks of 15 feet are proposed as is required in the RES EXP district.
- Landscape requirements apply, including street tree, parking lot, building impact, property line buffer (Type A), and retaining wall screening.
- The project is classified as "suburban" under the Tree Canopy Preservation standards and has a classification of "Class C". The existing canopy coverage (2018) is 38%.
- Open space shall be required at a rate of 15% of the total parcel.
- Maximum impervious surface in the RES EXP district for multifamily uses is 80%. The proposed project would result in a total impervious area of 30.6%.
- The project is seeking technical modifications to development standards through the conditional zoning process including:
 - Sidewalks less than 10 feet in width;
 - 98 (including handicap) parking spaces instead of the 100 minimum required.

Comprehensive Plan Consistency:

- The proposed development supports a number of goals including encouraging responsible growth by prioritizing greater densities of development overall, throughout the city as appropriate (p. 131), by increasing the supply of housing, including affordable housing (pp. 179 & 183) in proximity to schools, transit and parks (pp. 246 & 251), and by promoting the development and availability of affordable and workforce housing by redeveloping the public housing stock (p. 183).
- The proposed development is compatible with the Future Land Use designation of "Residential Neighborhood" which is proposed, in part, that "residential neighborhoods can benefit from having more housing diversity such as accessory apartments, duplexes and other types of smallscale infill housing" (p. 346).

Compatibility Analysis:

- The small-to-medium density residential project is compatible with the:
 - Small-to-medium scale multifamily buildings located at the remainder of the Deaverview Apartments;
 - Medium-scale multi-family buildings, known as Westmore Apartments, found at the northern end of Westmore Dr;
 - Single-family houses located to the south and west of the project site; and,
 - Light-industrial and commercial uses, including warehousing and self-storage, located to the east of the project site.

Council Goal(s):

- This project is most closely aligned with the council goal of *A Well-Planned and Livable Community*.

Committee(s):

- Technical Review Committee (TRC) - March 21, 2022 - approved with conditions.
- Planning & Zoning Commission (PZC) - April 6, 2022 - approved, 4:0.

Staff Recommendation:

- Staff recommends approval of this rezoning request based on the reasons stated above.

Mr. Palmquist explained the site plan of 3 buildings; 82 units; demolition of community center and playground; new driveway on Deaverview Road; shifted driveway on North Bear Creek Road; 98 parking spaces total; sidewalks 5' wide with 8' planting strip; and open space and tree preservation standards. The site plan for Buildings 1 and 2 will be: 3-story each; 12 units each; maximum height of 32'. Building 1 will be six 2-bedroom units and six 3-bedroom units. Building 2 will be eight 3-bedroom units and four 4-bedroom units. Building 3 will be 4-stories; 58 units; maximum height of 43'-8"; 2,000 square feet community amenity space; 48 one-bedroom units and 10 2-bedroom units. He then reviewed the building elevations. He then explained compliance with the Living Asheville Comprehensive Plan goals and the two different committee review processes. Highlighted technical modifications include (1) sidewalks less than 10 feet width; and (2) 98 (including handicap) parking spaces instead of the 100 maximum required. Other conditions include (1) all 82 units (100%) will be designated affordable for a minimum of 30 year to those earning an average of 60% Area Median Income, and will accept Housing Authority Housing Choice vouchers; and (2) 2,000 square feet of community amenity space will be provided in Building 3 in the southeast of the site. He said that staff concurs with the Planning & Zoning Commission and recommends approval of the proposed conditional zoning.

Executive Director of the Housing Authority of the City of Asheville David Nash responded to several questions/comments raised by City Council regarding this conditional zoning, some being, but are not limited to: what is the transition plan for current residents in Deaverview; explanation of why the project is not conditioned to be affordable in perpetuity, noting that a funding request will be coming to Council on May 10 and a condition regarding that affordability could be made a part of the request; how many units are currently in Deaverview; will the new units be larger or smaller than the existing ones; how many units are proposed to be built with this conditional zoning; explanation why the sidewalks won't be 10 feet; and why was this project not built as a purpose-built community.

Because a funding request for Housing Trust Fund dollars will be reviewed by the City's Housing & Community Development Committee on April 27 and then move to the full Council on May 10, Councilwoman Wisler moved to continue this public hearing until May 10, 2022, in order to craft language regarding the affordability. This motion was seconded by Councilwoman Turner and carried unanimously.

C. PUBLIC HEARING TO CONSIDER CONDITIONAL ZONING OF PORTIONS OF PROPERTIES LOCATED AT 273/291 LONG SHOALS ROAD AND 300/400 JULIAN SHOALS DRIVE FROM HIGHWAY BUSINESS DISTRICT TO COMMERCIAL EXPANSION/CONDITIONAL ZONE

At the request of the applicant's attorney, this conditional zoning has been withdrawn.

V. UNFINISHED BUSINESS:

VI. NEW BUSINESS:

A. ORDINANCE NO. 4940 - ORDINANCE ADOPTING THE FISCAL YEAR 2022-23 FEES & CHARGES MANUAL

Budget Manager Taylor Floyd said that this is the consideration of an ordinance establishing the fees and charges for Fiscal Year (FY) 2022-23.

Background:

- Fees and charges comprise approximately 30% of City-wide revenue and 8% of General Fund revenue.
- The fee proposals summary provides detailed information for proposed fee adjustments submitted during this year’s annual budget process.
- There are recommended changes to fee adjustments introduced after the Finance & Human Resource Committee consideration and vote:
 - **Parks & Recreation:** Reductions in deposits and fees for community center multi-purpose rooms are intended to increase affordability and access. Additionally there are minor increases in fees for the use of other facility amenities.
 - **Development Services:** Due a recent court ruling, more analysis needs to be performed regarding the assessment of homestay permit fees. Until that determination can be made, the change to the homestay permit fees are no longer included for consideration.
- Notable changes that would impact City households are outlined below:
 - The Stormwater Utility fee has not been increased in the last two fiscal years. Additional revenue from this fee increase would be used to support additional staff resources and capital funding to ensure continued compliance with mandates.
 - The Solid Waste fee has not been increased in 6 years. Additional revenue from this fee increase would be used to support recycling and other waste diversion efforts, and increase efficiency and reliability of this service.
 - Staff is recommending adoption of year two of the multi-year rate adjustment plan for the Water Resources Fund, which is designed to recover revenue lost as a result of the elimination of the Water Capital Improvement Plan (CIP) fee in 2020.
 - Revenue from Water rate adjustments will allow the City to meet coverage ratios that debt rating agencies, such as Standard & Poor’s and Moody’s, use to evaluate the credit worthiness of the water system, which will be important as the Water department moves ahead with the upcoming meter replacement project.
 - Typical household impact of major fee changes:

Fee	Bi-Monthly Bill Increase	Annual Increase
Solid Waste	\$ 4.00	\$ 24.00
Stormwater (Tier 2)	\$ 1.53	\$ 9.18
Water (6 CCFs/month)	\$ 4.92	\$ 29.52
Total	\$ 10.45	\$ 62.70

- Other minor changes recommended for adoption include adjustments to fees and charges for:
 - Event application and facility usage fees
 - Development-related fees

- Traffic control materials and services
- Parking lots and meters
- Water development fee
- All recommended fee adjustments would become effective July 1, 2022.

Committee(s):

- Finance & Human Resources Committee - March 22, 2022 - unanimously recommended to move forward to full Council with the exception of changes to event application and Pack Square Park rental fees recommended with 2-1 vote, and Parks and Recreation fees which were not presented to the committee.
- Water system development fees (which were unanimously recommended) will be coming to City Council for consideration at a later date due to statutorily required steps that require additional time to complete.

Pros:

- Provides an 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 2022-23 budget.
- Allows staff to begin communicating fee changes to citizens, customers, and stakeholders so they are aware of changes that will be implemented on July 1.

Con:

- An increase in the cost to utilize city services that may adversely impact low to moderate income households.

Fiscal Impact:

- Additional revenue for each proposal is shown in the Fee Proposals Summary.

Mr. Floyd said that the following fees & charges were recommended by the Finance & Human Resources Commission on March 22 with a 3-0 vote - water; stormwater; solid waste; and minor changes to development, parking, code enforcement, and traffic control fees. Changes to the event application and the Pack Square Park rental fees were recommended with a 2-1 vote. Regarding the water fee recommendation (1) need to continue to recover revenue lost from capital fee in order to maintain credit rating and debt service coverage; (2) minimized burden on customers by spreading revenue recovery over time; and (3) staff is recommending an increase to both the volumetric charges and base charges for most customers. Regarding the stormwater fee recommendation and using a chart, he said (1) Asheville's stormwater system has significant maintenance and capacity needs; (2) stormwater fee was last increased in Fiscal Year 2020; and (3) additional funding is needed to address existing needs, meet service expectations, and achieve stated goals. Regarding the sanitation fee recommendation (1) new investment in this core City service has been minimal for a number of years, the last fee increase was approved in Fiscal Year 2017; (2) it is challenging to maintain existing service levels without additional resources; and (3) staff is recommending a \$2.00/month increase to the solid waste fee. Other recommended fee changes include (1) event application and facility usage; (2) development-related; (3) noise ordinance enforcement; (4) traffic control materials and services; (5) right-of-way closure; (6) hourly/flat rates for parking lots; and (7) daily use of metered parking. Changes since the Committee voted on March 22 include (1) water system development fees on a separate timeline statutorily required steps; (2) removed fee changes related to homestay permits due to recent court decision; and (3) Parks & Recreation facility rental changes (a) reduce fees charged for rental of community center spaces; and (b) add fee for gym floor covering and extending rental hours. In summary, the additional revenues from adopted fee changes will be

incorporated into the proposed budget. The adopted fee changes will be effective on July 1, 2022.

There was discussion regarding the proposed fees and charges, with some of the following comments/questions being addressed: concern and justification that water residential rates are higher than commercial rates; request that information regarding the water fee increase be included in the water bills; explanation of the history of the water rates since removal of the water capital fee; and explanation of why the event application and Pack Square Park rental fees were not unanimously recommended for approval by the Finance & HR Committee.

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

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

Councilwoman Turner moved to adopt the Fiscal Year 2022-23 Fees & Charges Manual. This motion was seconded by Councilwoman Wisler and carried on a 6-1 vote, with Councilwoman Roney voting “no.”

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B. RESOLUTION NO. 22-79 - RESOLUTION TO APPROVE THE CITY OF ASHEVILLE 2022 LEGISLATIVE SHORT SESSION AGENDA, AND DIRECTION TO CITY ATTORNEY TO PROVIDE THIS TO OUR LOCAL DELEGATION

City Attorney Branham said that this is the consideration of adoption of the 2022 Short Session Legislative Agenda and direction to share with Asheville’s Local Delegation.

Background:

- The 2022 legislative short session of the North Carolina General Assembly will commence on May 18th of this year.
- The deadline for filing local bills with the legislative drafting office is May 9th.
- Historically, the City Council has adopted a legislative agenda to provide direction to our local delegation on those priorities for local or general legislation which the City wishes to pursue.

Council Goal(s):

- A Financially Resilient City, An Equitable & Diverse Community, A Well-Planned and Livable Community, A Clean & Healthy Environment, Quality Affordable Housing

Committee(s):

- Governance Committee - unanimously recommended to move forward to City Council

Pro(s):

- Provides direction to our local delegation on Council’s legislative priorities, and serves as a starting point for presentation of potential general and local acts which would benefit the City.

Con(s):

- None.

Fiscal Impact:

- None.

City Attorney Branham reviewed the requests: (1) Reform the Local Occupancy Tax Utilization - Support legislation to amend or reform Session Law 2015-128 to direct a more equitable distribution of funds collected, expand the allowable uses of the funds to benefit the community, and increase the spectrum of qualified TDA board membership to allow for broader and more representative community engagement. The City of Asheville would also request that consideration be given to amending the committee guidelines for occupancy tax expenditures such that a distribution of at least 50% of collected funds be dedicated towards addressing local needs such as infrastructure and equity concerns. Finally, the City of Asheville would specifically request that allowances for membership be provided for community members working in the arts and entertainment industry, tourism based service workers, and those owning and operating short term rental or homestay properties; (2) Oppose Legislation that Would Limit Reasonable Regulation of Short Term Vacation Rentals - Oppose legislation which would strip municipalities of the ability to reasonably regulate residential properties being utilized as short term vacation rentals; (3) Support for State and Local Reparations Efforts - Support legislation that would empower local governments, remove barriers, and provide funding to support reparations at the state and local level; (4) Support New Legislation and State Funding to Encourage Development of Affordable Housing - Support legislation that would create new or increased incentives and subsidies for the development of affordable housing, especially in the State's largest metropolitan areas where this issue is most dire; (5) Authority to Conduct a Referendum on a 1/4 cent Sales Tax for Transit - Support legislation to provide authority for Asheville, or general legislation to empower cities throughout the State, to conduct a local referendum on the institution of a municipality specific quarter cent sales tax to fund public transit; (6) Support State Funding to Provide a Cost of Living Increase for members of the Local Governmental Employees' Retirement System - Support legislation that would provide State level funding for a cost of living increase to members of the Local Governmental Employees' Retirement System; and (7) Authority for Electronic Meetings - Support legislation to make clear authority for electronic meetings permanent and usable at the discretion of local governments.

At the request of Councilwoman Kilgore, Mayor Manheimer said that the legislative request for authority to conduct a referendum on a ¼ cent sales tax for transit would be voted on separately. Councilwoman Kilgore felt that we need to expand transit into the County in order to make it effective and since Buncombe County already has that authority to put it to a referendum, we should work with them so that the tax would be distributed to all County residents, not just City of Asheville residents.

Councilwoman Roney recommended the legislative request regarding authority to conduct a referendum on a 1/4 cent sales tax for transit be amended as follows: "Support legislation to provide authority for Asheville, or general legislation to empower cities throughout the State, to conduct a local referendum on the institution of a municipality specific quarter cent sales tax to fund public transit **with specific exemptions for the purchase of groceries, gas, and prescription medications.**"

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 Kilgore moved to adopt the 2022 City Council Short Session Legislative Agenda with the following request: (1) Reform the Local Occupancy Tax Utilization; (2) Oppose Legislation that Would Limit Reasonable Regulation of Short Term Vacation Rentals; (3) Support for State and Local Reparations Efforts (4) Support New Legislation and State Funding to Encourage Development of Affordable Housing; (5) Support State Funding to Provide a Cost of Living Increase for members of the Local Governmental Employees' Retirement System; and (6)

Authority for Electronic Meetings. This motion was seconded by Councilwoman Wisler and carried unanimously.

Councilwoman Roney moved to include in the 2022 City Council Short Session Legislative Agenda a request for Authority to Conduct a Referendum on a 1/4 cent Sales Tax for Transit, revised as follows to include certain exemptions: "Support legislation to provide authority for Asheville, or general legislation to empower cities throughout the State, to conduct a local referendum on the institution of a municipality specific quarter cent sales tax to fund public transit **with specific exemptions for the purchase of groceries, gas, and prescription medications.**" This motion was seconded by Vice-Mayor Smith and carried on a 6-1 vote, with Councilwoman Kilgore voting "no"

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C. RESOLUTION NO. 22-80 - RESOLUTION TO AMEND THE ASSIGNMENT OF THE REAL ESTATE CONTRACT FOR PROPERTY AT 148-150 RIVER FORD PARKWAY TO SHANGRI-LA INDUSTRIES, INC. FOR THE PURPOSE OF CREATING PERMANENT AFFORDABLE HOUSING, BY WAIVING THE REIMBURSEMENT IN DUE DILIGENCE COSTS

Director of Economic Development Nikki Reid said that this is the consideration of a resolution to amend the assignment of the real estate contracts for property on 148-150 River Ford Parkway to Shangri-La Industries, Inc. by waiving the reimbursement of \$79,500 in due diligence costs for the purposes of creating permanent supportive housing.

Background:

- Last year, the City entered into a contract to purchase real estate at 148 and 150 River Ford Parkway, however the City did not move forward with the purchase.
- Alternatively, on December 14, 2021 City Council authorized the assignment of its contract to purchase the property to ShangriLa Industries, Inc. (ShangriLa).
- ShangriLa, in partnership with Step Up, Inc., plans to purchase the property and renovate the hotel for permanent supportive housing for 100+ chronically homeless individuals and veterans.
- After consulting with the U.S. Department of Housing and Urban Development (HUD), it is now clear that a full federal Environmental Assessment is needed prior to a real estate transaction of the property, which has resulted in a 90 day delay in the real estate closing.
- ShangriLa has, therefore, asked for a 90 day extension from the property owners, which is costing them \$250,000 in additional earnest money and a daily rate of \$2,500 in lost revenue for the hotel.
- ShangriLa has also shared that increasing construction costs are impacting their financial model for the renovations.
- ShangriLa has inquired if the City would be able to help mitigate these additional costs.
- To assist, the City has the ability to waive reimbursements from the closing in the amount of \$79,500 that ShangriLa had previously agreed to pay to the City in December as part of the assignment.
- These expenses represent the City's sunk costs that were spent to secure and perform its due diligence on the Ramada property, prior to the involvement of ShangriLa.
- These expenses include option fees paid to the seller that were applicable to the purchase price and fees paid for surveys, Phase One environmental, property inspections and appraisals.
- The reimbursements were to be paid at the real estate closing and waiving this requirement will enable cost savings that will ultimately assist in finalizing the extension for the real estate closing.

Council Goal(s):

- Quality affordable housing
- A Well-Planned and Livable Community

Committee(s):

- None

Pro(s):

- Creates needed permanent supportive housing units
- Leverages new investment of private-sector resources and national expertise

Con(s):

- None

Fiscal Impact:

- The City will forgo reimbursements of due diligence and pursuit costs that were spent from the Affordable Housing Capital Improvement Program (CIP) funds on the real estate acquisition at Ramada
 - \$44,500 in due diligence, including appraisals, environmental reviews, surveys, property inspections, etc.
 - \$35,000 in non-refundable deposits to the seller

There was considerable discussion surrounding the disappointment of the majority of Council regarding this waiver of the reimbursement request. Ms. Reid explained that these costs were sunk costs for due diligence associated with the City's initial intent to acquire the property and that a reimbursement was not expected until ShangriLa offered to pay the costs as part of the contract assignment. Given the current need and extra costs for an extension to the closing date, the City's ability to waive the reimbursement can support the need for permanent supportive units in our community.

Jonathan Wainscott was opposed to this action and hoped we are sending a message that the City does not negotiate in these ways.

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

Councilwoman Wisler moved to amend the assignment of the real estate contracts for property on 148-150 River Ford Parkway to Shangri-La Industries, Inc. by waiving the reimbursement of \$79,500 in due diligence costs for the purposes of creating permanent supportive housing. This motion was seconded by Councilwoman Kilgore and carried on a 4-3 vote, with Councilwoman Mosley, Councilwoman Roney and Councilwoman Turner voting "no".

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VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Several individuals spoke to Council on various topics, some being, but are not limited to: request for the City to maintain Jones Park playground once rebuilt; request for development of dedicated courts for pickleball; explanation that \$17.70 is the bare minimum living wage and the City's calculation of a living wage should not include other benefits the City offers; explanation of the 1937 Home Owners Loan Corporation "Red-Lining" map; and need to let residents know about the various taxes being considered.

Closed Session

At 7:28 p.m., Councilwoman Roney 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 statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(1). The laws that make the information privileged and confidential are N.C. Gen. Stat. § 143-318.10(e), and N.C. Gen. Stat. § 160A-168; and; 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, including, but not limited to, the handling the following matters: Vaidila Satvika v. City of Asheville. The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(3). This motion was seconded by Councilwoman Wisler and carried unanimously.

At 8:11 p.m., Councilwoman Wisler moved to come out of closed session. This motion was seconded by Councilwoman Kilgore and carried unanimously.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 8:11 p.m.

CITY CLERK

MAYOR