

Thursday – March 6, 2025 - 11:00 a.m.

Agenda Briefing Worksession - For March 11, 2025, Council Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor S. Antanette Mosley; Councilman Bo Hess; Councilwoman Kim Roney; Councilwoman Maggie Ullman; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

Absent: Councilwoman Smith and Councilwoman Turner

City Council held an agenda briefing worksession to discuss the upcoming and future agenda items. In addition, City Council reviewed upcoming City Council committees that will be taking place during the next two weeks.

Discussion occurred on the following other issues and updates:

- Technology in Law Enforcement, including Automated License Plate Readers

At 12:35 p.m., Mayor Manheimer adjourned the agenda briefing worksession.

Tuesday - March 11, 2025 - 3:00 p.m.

Budget Worksession

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor S. Antanette Mosley; Councilman Bo Hess; Councilwoman Kim Roney; Councilwoman Sheneika Smith; Councilwoman Sage Turner; Councilwoman Maggie Ullman; City Manager Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

Budget Manager Lindsay Spangler outlined the following key takeaways from this budget presentation as follows: (1) The City has received a \$2.8M Helene Cash Flow loan offer from the State Treasurer which staff will review along with updated financial data from the current fiscal year; (2) As typically occurs with the budget process, staff will bring forward fee change requests for next fiscal year for Council approval in April; (3) To continue funding critical investments and maintain debt ratings, staff is recommending that Council adopt year two of the three-year water rate plan adjustments that began in the current fiscal year; (4) Staff is recommending no fee changes to other major fees including stormwater, solid waste, and parking; (5) There is a great deal of uncertainty regarding revenue estimates in the General Fund for fiscal year (FY) 2026 but early estimates indicate that revenue may be below fiscal year 2025 budget levels.; (6) Staff is attempting to keep FY2026 departmental operating budgets flat but unavoidable cost increases are making that challenging; (7) Staff has developed a preliminary list of FY2026 budget reductions in the General Fund for Council's consideration; and (8) To avoid a potential debt rating downgrade, the City will need to develop an FY2026 General Fund budget that eliminates or reduces the use of fund balance and keeps us near our policy target.

She said the Manager's office has developed and began implementing key cost savings in the current fiscal year to help balance this year's budget. Key decisions which need to be made are (1) What cost savings and other actions should be considered to address FY26 budget needs?; (2) Should a salary increase for City employees be considered in next year's budget?; (3) How to restore fund balance to meet policy objectives of at least 15% or greater in the wake of Helene?; and (4) Should a tax increase be considered to raise revenue in FY26 to fund employee compensation increases, offset revenue losses, and/or maintain fund balance?

She then provided an FY25 budget status - local economy impact update as (1) Occupancy taxes are an indicator of tourism activity; and (2) Collections were down significantly after the storm but have now rebounded.

FY25 budget status for revenue updates include (1) Harrah's Fund (a) Original estimate: \$1.5M-\$2.5M in lost revenue from event cancellation; and (b) Updated estimate: Less than \$100k under budget based on success of Billy Strings shows and upcoming forecasted events; and (2) General Fund (a) As of the end of February City property tax collections were at 98.09% of the total levy (February 2024: 98.69%). Approximately \$1.5M in City property taxes remained uncollected as of the end of February; and (b) Sales tax is down 6.5% to date as of November - no new data since the Council Retreat.

She provided a chart showing the Helene Revenue Impact, showing a shortfall of \$15.4 Million. Ms. Spangler then provided a chart showing the Helene expenses and encumbrances, totaling \$40.1 Million. Approximately \$19M of the \$40.1M total is in the Water Fund. The City currently expects to eventually receive 100% FEMA reimbursement for all these costs

Regarding the N.C. Helene Cashflow Loan Program, (1) \$2.8M loan from the State Treasurer to assist with the Helene expenses shown on the previous slide; (2) Loan is not forgivable as currently structured due to duplication of benefit concerns with FEMA funding - 0% interest with a five-year payback schedule; (3) Designed to be a cash flow bridge until FEMA reimbursements are received and then used to pay back the loan; (4) Can't be utilized for revenue replacement but will help with overall City cash flow and strengthen the balance sheet; and (5) Demonstrates to the State and other potential funders that there is a need which helps bolster the case for additional funding support.

Regarding the Fiscal Year discussion, City Council did not have any questions about current fiscal year economic or financial data, nor did they ask for any additional information. City Council supported staff to bring the documents to accept the State Cash Flow Loan offer at the March 25th Council meeting.

Ms. Spangler then reviewed the Fiscal Year 2025 budget process and gave an overview of the budget process calendar and the guiding principles. Key themes are (1) The Budget will continue to provide funding to maintain the City's core services; (2) The Budget will minimize cost increases to residents and businesses as we recover from Hurricane Helene; (3) The City will look to one-time revenue sources, such as CDBG-DR and FEMA, to fund the community's recovery priorities; and (4) The Budget will be developed in a fiscally responsible way in order to maintain the City's financial metrics and strong credit ratings.

She said the City Council priorities for Helene Recovery are: People; Housing; Infrastructure/Environment; and Economy.

Regarding the survey results, over 6,900 community members participated and provided input on what matters most to them as Asheville continues to recover and rebuild in the aftermath of Helene (1) Strengthening infrastructure; (2) Expanding housing solutions; (3) Supporting economic recovery; (4) Enhance food security; and (5) Maintain sustainability focus. From the February 25 public comment, five community members spoke about their budget priorities, which included: Climate action; Living wage; Enhanced transit services; and Fiscal responsibility.

She said the FY26 budget process summary is (1) The FY26 Budget Process is underway (a) City Council identified its priorities for the upcoming fiscal year at the February Retreat; and (b) Staff and Council received input from the community via the Helene Recovery Survey and the February 25th Public Comment session; and (2) Next Steps (a) Council review of

proposed fee changes; and (b) Staff presentation of initial FY26 General Fund revenue and expense estimates.

Regarding proposed FY26 fee adjustments, Finance Director Tony McDowell showed charts of the General Fund revenue sources and the Enterprise Fund revenue sources.

Regarding water rate changes, a Water Cost of Service Study was completed in late 2023 that determined the cost of service by functional area, assessed the rate structure, and made recommendations for multi-year rate adjustments. The results of the Study were discussed with the Policy, Finance, & HR Committee in multiple meetings during last year's budget process. Staff recommended a three-year phase-in approach to the proposed rate adjustments as the most efficient, effective and equitable approach for our customers since it will eliminate inequity among customer classes sooner, establish needed funding for the capital program, and preserve the City's debt ratings. City Council adopted year one of the three-year rate adjustments in March 2024 with an effective date of July 1, 2024. Financial Sufficiency - Ongoing rate adjustments are needed to fund a 5-year capital program initially estimated at \$239 million prior to Helene; and Equity / Cost of Service (a) Study found the residential class was subsidizing other customer classes; specifically commercial/manufacturing and wholesale; (b) Therefore, commercial/manufacturing and wholesale customer classes will see higher rate increases relative to other classes; and (c) A 3-year phase-in of the rate adjustments was recommended and shared with system customers during last year's budget process

FY25 Year-One rate adjustment accomplishments included (1) Issued \$26.9M in Water Revenue Bonds in September for the meter replacement project; (2) Increased pay-go capital funding by \$2.7M in FY25 to continue infrastructure replacement projects; (3) Added a new Project Manager/Engineer position to design and oversee capital projects; (4) Added a Water Communication Specialist (PIO); and (5) Added four new positions for a South District Crew to improve response time for emergency water main breaks and provide better customer service.

The importance of continued rate adjustments are (1) Additional debt issuances are upcoming for projects that are either already underway or planned: \$12.5M - Water Treatment Plant (WTP) Rehab Project; \$75M - WTP treatment enhancements; and \$40M - Mills River Expansion Phase III; (2) Ratings Agencies use metrics such as debt service coverage and reserves to determine ratings for future bonds - S&P has put Water on a "credit watch with negative implications" pending outcome of rate discussions; and (3) The community rated Strengthening Infrastructure as a top concern in the Helene Recovery Priorities survey. He then showed a chart of the 3-year phase in of the typical customer bill impacts.

Regarding the Memorial Stadium track fee, (1) Due to the completion of the new track, the Parks and Recreation Department requests to set a fee of \$15/hour to rent the track - This is expected to lead to approx. \$1,500 in additional revenue; and (2) This fee allows Parks to remain consistent with the way it manages its other resources. Charging a fee will allow them to better manage the utilization of their facility.

Regarding fee adjustments, staff recommends to (1) Move ahead with year-two of the planned Water rate adjustments; (2) Hold other major fees (stormwater, solid waste, parking) flat; and (3) Approve Memorial Stadium Fee. It was the consensus of Council to support staff's recommendations and for staff to proceed with bringing FY26 fee approvals to Council's April 8th meeting.

Regarding the FY26 General Fund revenue projections, (1) Property taxes are currently projected to be down somewhere between 1.25%-1.5% (\$1.0M-\$1.5M) next year but the County is still working to refine estimates - Biggest impacts were in commercial real estate and business personal property losses; (2) Sales Taxes - Still a big unknown but staff is currently estimating a

range of 0%-5% below (\$0 to \$2.0M) the FY25 budget; (3) Estimating some variances in other General Fund revenues but overall those revenues are projected to be flat compared to current year; and (4) Overall early estimates are for FY26 General Fund revenues to be down \$1.0M to \$4.0M.

Mr. McDowell reviewed the following chart of the General Fund revenue projections:

General Fund	FY25 Budget	FY26 Projected	Projected vs Budget
Property Taxes	\$86.1M	\$84.8M	-\$1.5M
Sales & Other Taxes	\$44.5M	\$42.5M	-\$2.0M
Intergovernmental	\$13.7M	\$14.1M	+\$0.4M
Fees & Charges	\$21.1M	\$20.3M	-\$0.8M
Investment Earnings	\$2.1M	\$2.2M	+\$0.1M
ABC Revenue & Other	\$4.5M	\$4.2M	-\$0.3M
Total	\$172.0M	\$168.0M	-\$4.0M

Regarding the FY General Fund expense projections, (1) employee health care costs and state-mandated retirement increases expected to add \$2.6M in expenses in the General Fund; (2) budget staff instructed departments to keep initial operating budget submittals flat compared to current year but unavoidable cost increases are making that challenging; and (3) Overall early FY26 General Fund expense estimates are up approximately \$4.1M.

He then reviewed a chart of FY26 expenditures (unavoidable costs) of health care, retirement (LGERS), Golf course, HR & IT contracts, fleet maintenance, County landfill tipping fees, transit operating contract, police new operating lease, and facility maintenance - for a total of \$4.1M.

He then reviewed a chart of the FY6 General Fund expense projections.

He said staff has developed an initial list of General Fund cost saving strategies for FY26 that do not involve core service reductions. They focused on items where other funding sources are available such as GO Bonds, CDBG-DR and FEMA. The hiring review and other budget savings strategies from FY25 continued into FY26. They have *identified a total of approximately \$4.5M in initial savings.*

He then reviewed a chart of cost saving strategies for FY26, along with a chart of FY26 General Fund revenues vs. expenses.

Mr. McDowell reviewed the following Fund Balance property tax scenarios, noting the

policy target is 15%. He stressed this is not a recommendation; it only represents example tax increases for fund balance only and does not include salary increases. This also assumes average residential tax value of \$350,000 and every 1-cent tax rate increase generates \$2.0M.

Scenarios	Tax Rate Increase	Average Homeowner Impact (Annual)	Average Homeowner Impact (Monthly)
Maintain 15.9% Fund Balance (\$11.3M)	5.65 cents	\$198	\$16.48
Maintain 15.0% Fund Balance (\$9.3M)	4.65 cents	\$163	\$13.56
Maintain 14.0% Fund Balance (\$7.6M)	3.80 cents	\$133	\$11.08

It was the consensus of Council to support the initial cost savings possibilities that staff has developed - Other Post Employment Benefit (OPEB) trust fund contribution; Personnel savings (hiring review plus FEMA/CDBG-DR reimbursement); Minor health care plan adjustments; Training & travel reduction (50%); Pause Housing Trust Fund contribution; Pause Strategic Partnership Grants; and Reduce Neighborhood Matching Grants. It was also the consensus of Council for staff to look at additional cost savings options that might involve service reductions. He said that although no decisions are needed at the moment on property tax rates, it was the consensus of Council to support staff continuing to develop a budget that includes a tax rate increase to maintain fund balance at 15% and potentially offset revenue reductions. Staff will be discussing employee compensation at the next Budget Work Session on March 25th.

Throughout the presentation, City Manager Campbell, along with Mr. McDowell, responded to various questions/comments from Council, some being, but are not limited to: what is the difference between expenses and encumbrances; how much have we been reimbursed by FEMA to date (\$9.8 Million); revise the chart showing the Helene expenses and encumbrances to include a column to track our FEMA reimbursement; explanation of why we are not getting monthly water bills; what should someone do if they are not getting a water bill but want to pay; discussion of the reasoning of fee changes at the Municipal Golf Course, noting that there will be additional information when the Fees & Charges Manual comes before Council on April 8; request to put some funds into the Strategic Partnership Grant Program; request for more information on OPEB; when does the bond clock start on us using the funds in 7 years; what are some service reductions that staff has looked at but did not bring forward to Council; will bonuses be considered for City employees other than raises; and what was looked at from a service delivery reduction/cut.

City Manager Campbell said that questions that could not be readily answered would be provided at the next budget worksession.

At 4:12 p.m., Mayor Manheimer adjourned the budget worksession.

Tuesday – March 11, 2025 - 5:00 p.m

Regular Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor S. Antanette Mosley; Councilman Bo Hess; Councilwoman Kim Roney; Councilwoman Sheneika Smith; Councilwoman Sage Turner; Councilwoman Maggie Ullman; 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 MARCH 18, 2025, AS “TRANSIT STAFF APPRECIATION DAY”

Councilwoman Roney read the proclamation proclaiming March 18, 2025, as "Transit Staff Appreciation Day " in the City of Asheville. She presented the proclamation to Keith Sanders, and others, who thanked City Council for this recognition.

B. PROCLAMATION PROCLAIMING MARCH, 2025, AS “RED CROSS MONTH”

Councilwoman Ullman read the proclamation proclaiming March, 2025, as "Red Cross Month " in the City of Asheville. She presented the proclamation to Jerri Goldberg, Executive Director of the Western North Carolina Chapter of the American Red Cross North Carolina Region, and others, who briefed City Council on some activities taking place during the month.

II. CONSENT AGENDA:

A. APPROVAL OF THE COMBINED MINUTES OF THE AGENDA BRIEFING WORKSESSION HELD ON FEBRUARY 20, 2025, AND THE FORMAL MEETING HELD ON FEBRUARY 25, 2025

B. RESOLUTION NO. 25-38 - RESOLUTION RATIFYING AN EMERGENCY CONTRACT WITH CAMPBELL INC. FOR THE MILLS RIVER WATER TREATMENT PLANT RESPONSE FOR TROPICAL STORM HELENE

Action Requested: Adoption of a resolution ratifying a contract with Campbell, Inc., entered into on an emergency basis in the immediate aftermath of Tropical System Helene.

Background:

- In late September, the City of Asheville experienced unprecedented rainfall both from Tropical Storm Helene and a predecessor heavy rain event. A state of emergency covering Asheville was declared on September 25th in relation to Tropical Storm Helene.
- Flooding of the French Broad and Mills Rivers rose to levels that inundated the Mills River Water Treatment Plant intake structure where the permanent raw water pumps are located.
- The damage caused by Helene required an immediate response by the City to secure public safety, provide aid to the community, and secure public infrastructure.
- In responding to this crisis, the City of Asheville engaged outside assistance to address the needs of the community when those needs exceeded the capacity of City staff.

- In one such instance, the City engaged Campbell, Inc. for the Mills River Water Treatment Plant to aid in the Hurricane Helene Emergency Response to provide a crane and trucks to pick up and mount two temporary raw water pumps used to convey raw water to the Mills River water treatment plant process.
- This purchase was determined to be necessary in order to address a special emergency involving the health and safety of the people or their property, and therefore exempt under N.C. Gen. Stat. § 143-129(e)(2) from standard contracting processes in state law.
- This purchase was further needed to address an emergency or exigency within the meaning of 2 CFR § 200.320(c)(3).
- Staff is now requesting that Council ratify the City's contract with Campbell, Inc. for this procurement and waive any contracting policies or procedures that would normally have applied.

Council Goal(s):

- Clean, Safe, and Healthy Environment

Committee(s):

- None

Pro(s):

- Allowed the City to immediately act to address an emergency without delay.
- Allowed the City to continue to provide water to a portion of the water system.

Con(s):

- None

Fiscal Impact:

- The total cost of this contract is \$267,718.50.

Motion:

- Motion to adopt a resolution to ratify the City's emergency contract with Campbell, Inc., for the provision of two temporary pumps to the Mills River Water Treatment Plant Hurricane Helene Emergency Response and waive any contracting procedures that might have otherwise applied.

RESOLUTION BOOK NO. 45 - PAGE 320

- C. RESOLUTION NO. 25-39 - RESOLUTION AUTHORIZING THE REALLOCATION OF UNDEDICATED PUBLIC ART FUNDS TO ENTER INTO AN AGREEMENT WITH ARTSAVL TO SUPPORT HELENE RECOVERY IN THE FORM OF THE ARTS BUSINESS RELIEF GRANTS AND ACTIVATION AND MARKETING OF ASHEVILLE'S ARTS DISTRICTS; AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS NECESSARY, INCLUDING CONTRACTS AND GRANT AGREEMENTS, TO GIVE EFFECT TO THIS RESOLUTION**

Action Requested: Adoption of a resolution authorizing the City Manager to enter into agreements with ArtsAVL to administer \$150,000 to artists and arts organizations in Asheville through the Arts Business Relief Grant and \$50,000 to support programming and activation of the River Arts and Downtown Arts Districts through the Connection Campaign, both existing and operated by ArtsAVL.

Background:

- The reallocation of public art funds supports two of Council's four priority areas for Helene Recovery: People and Economy. Grant money will provide immediate, flexible financial assistance to artists and arts organizations to keep them living and working in Asheville.
- Money to connect and activate Asheville's River Arts and Downtown Arts Districts aims to boost foot traffic, amplify the districts' unique offerings and maintain Asheville's distinction as an arts destination.
- The reallocation of public art funds is a short-term recommendation approved by both the Natural and Cultural Resources and Economic Development Recovery Support Groups and one step in a larger strategy to support arts and the creative industry in Asheville.
- The City of Asheville's Percent for Public Art Policy was last updated in 2014 and provides a method of annually allocating Public Art Program funds from qualifying Capital Improvement Project funds to support the creation of new, and maintenance of existing, public art assets within Asheville.
- While public art funds are directed to be used for public art by policy, they are General Fund dollars and can be used for any general government purpose. \$200,000 of the existing funds are currently undedicated and could be legally reallocated by Council to support local artists, arts organizations and arts districts significantly impacted by Tropical Storm Helene.
- The reallocation of \$200,000 in public art funds will not create a negative impact on the Public Art Program as disaster recovery from Tropical Storm Helene will be the focus of the City's work for the foreseeable future, precluding the start of any new public art projects until deemed appropriate.
- This reallocation also will not create a negative impact on current and planned projects (Replacement of the 'Art Deco Masterpiece' Urban Trail Station, Updates to the Urban Trail Marketing Assets, River Arts District Public Art Implementation) as they are fully funded.
- ArtsAVL is leading Western North Carolina's Arts Relief Recovery Plan and has done extensive surveying and engagement to determine what artists and the creative industry need post-Helene.
 - Artists and arts organizations indicated the greatest need for:
 - Money/direct grants to pay bills, employees and restock lost inventory and equipment.
 - Marketing, activation and event support to bring locals and tourists back to the arts districts.
- ArtsAVL is uniquely positioned to administer city funds to support the arts in Asheville post-Helene as it already facilitates the City of Asheville's Event Support Grant and has successfully delivered thousands of dollars in relief grants to WNC artists. It is also Buncombe County's official, designated arts agency that receives and manages funding from the NC Arts Council.
- ArtsAVL's Arts Business Relief Grants are for arts businesses within one of the 26 counties eligible for federal disaster assistance in Western NC. Funds may be used to pay salaries, fees, production, promotion, programming, supplies and operation. The grants, for up to \$5,000, are intended to support job retention and support arts businesses in the following categories.
 - For profit and nonprofit
 - Craft, visual and performing arts (including music)
 - Presentation or production of local arts programming and/or products
 - Substantially impacted by Hurricane Helene

- In business for at least two consecutive years
 - Prior year operating expenses of at least \$20,000
 - Note: Individual artists working as sole proprietors *without* employees are not eligible. Sole proprietors were eligible for ArtsAVL's first round of emergency relief grants and will be eligible for another funding opportunity opening in mid-March through SouthArts.
- ArtsAVL's Connections Campaign aims to boost foot traffic and create cohesive programming and messaging for the area's arts districts through a memorable campaign that includes: an updated art guide and website, promotional kits and targeted advertising/PR, wayfinding, and themed events that tie-in with regional anchors like Biltmore and the NC Arboretum. Public Art Funds would primarily support wayfinding/signage, events, and printed materials.
 - Agreements with ArtsAVL would specify that Public Art Funds going towards these existing programs would support artists, businesses and districts only within the City of Asheville.

Council Goal(s):

- Connected and Engaged Community
- Thriving Local Economy
- Equitable and Diverse Community

Committee(s):

- As all City advisory boards and commissions are paused during this federally declared emergency, the Public Art and Culture Commission has not provided advice on this item as a body. However, staff has met with the Chair and Vice Chair of the Commission who have expressed support for reallocation of public art funds to support the local arts community.
- The following City of Asheville Recovery Support Groups reviewed the proposed plan for the reallocation of public art funds:
 - February 18, 2025, RSG - Natural and Cultural Resources reviewed/approved the plan.
 - February 19, 2025, RSG - Economic Development reviewed/approved the plan.

Pro(s):

- The proposed use of public art funds is in alignment with the Helene Recovery Priorities Survey conducted by the City of Asheville (results February 2025) indicating strong support for business recovery and arts funding.
- Business owners reported greater financial hardship than the overall population, with significantly higher rates of income loss (47% compared to 29%) and business displacement (32%). Respondents also shared stronger support for business recovery (89% vs. 76% overall) and arts community support (75% vs. 65% overall).

Con(s):

- Less money for new public artwork for fiscal year 2024-2025 and future cycles.

Fiscal Impact:

- \$200,000 is available in the 2024-2025 General Capital Projects Fund as part of the Public Art Policy.

Motion:

- Motion to adopt a resolution authorizing the reallocation of \$200,000 in public art funds to ArtsAVL to support artists and arts organizations and activate the River Arts and Downtown Arts Districts in Asheville through existing programs operated by ArtsAVL, the Arts Business Relief Grant and the Connection Campaign.

RESOLUTION BOOK NO. 45 - PAGE 321

D. ORDINANCE NO. 5122- BUDGET AMENDMENT IN THE GENERAL CAPITAL PROJECTS FUND TO BUDGET CAPITAL IMPROVEMENTS APPROVED AS PART OF THE NOVEMBER 2024 GENERAL OBLIGATION BOND REFERENDUM AND FUNDED WITH FUTURE DEBT PROCEEDS

Action Requested: Approve a budget amendment in the General Capital Projects Fund in the amount of \$80,000,000 to budget capital improvements approved as part of the November 2024 General Obligation Bond Referendum and funded with future debt proceeds.

Background:

- On November 8, 2024, the residents of Asheville voted to authorize the City to issue \$80,000,000 in bonds to make capital improvements in the areas of parks and recreation, transportation, public safety facilities, and affordable housing.
- These bonds, which must be issued within seven years of voter approval, allow for the completion of key projects which are widely distributed throughout the City.
- These projects will be built in addition to the City's existing capital improvement projects and in addition to Tropical Storm Helene recovery projects which will be funded mostly with federal and state resources.
- The Local Government Commission (LGC) approved the City moving forward with the General Obligation Bonds at their March 4, 2025 meeting.
- The recommendation to adopt the full bond budget amounts immediately eliminates the need to consider annual adoption of the incremental amendments.
- Since the entire funding amount will be spent over the life of the program, it is acceptable and advised to amend the capital budget for the full amount of \$80,000,000.

Council Goal(s):

- A Financially Resilient City

Pro(s):

- Adopting a capital budget amendment in the full bond amount of \$80,000,000 will facilitate the full financing of all bond projects without the need for annual budget amendments.

Con(s)

- None

Fiscal Impact:

- With this amendment, \$80,000,000 will be added to the City's General Capital Projects Fund.
- A property tax rate increase will be needed to fund the future debt service on the General Obligation Bonds.
- Staff anticipates including that tax rate increase as part of the fiscal year 2026-27 budget.

Motion:

- Motion to adopt a budget amendment in the General Capital Projects Fund in the amount of \$80,000,000 to budget capital improvements approved as part of the November 2024 General Obligation Bond Referendum and funded with future debt proceeds.

ORDINANCE BOOK NO. 36 - PAGE 113

E. RESOLUTION NO. 25-40 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH CHERRY BEKAERT LLP FOR AUDITING CITY ACCOUNTS FOR FISCAL YEAR ENDING JUNE 30, 2025

Action Requested: Adoption of a resolution authorizing the Mayor to execute a contract with Cherry Bekaert, LLP for auditing City accounts for fiscal year ending June 30, 2025.

Background:

- North Carolina General Statute §159-34 requires that local governments have its accounts audited each fiscal year and submit a copy of the audit report and financial statements to the Local Government Commission (LGC).
- Staff recommends retaining the services of Cherry Bekaert, LLP to conduct an audit of the City's accounts for the fiscal year ending June 30, 2025.
- The estimated cost for the fiscal year 2024-2025 audit includes a base fee of \$145,400, which covers 915 hours of audit work; and an additional \$23,200 for preparation of Basic Financial Statements, Combining Statements and document production if needed, for a maximum total fee of \$168,600.
- Execution of this contract complies with the City's Financial Policies which states that the City "shall enter into multi-year agreements of not more than five years in duration through a series of single-year contracts as consistent with applicable legal requirements."
- This will be the third year of contracting with the Cherry Bekaert, LLP so staff will be recommending to contract with them for another 2 years assuming services are provided as outlined within the engagement letter.

Vendor Outreach Efforts:

- No competitive bid process was conducted this year

Council Goal:

- Financially Resilient City

Committee:

- No prior Committee approval.

Pro:

- Contracting with Cherry Bekaert, LLP aligns with City Council's financial policy and will help ensure the timely and successful completion of the annual audit.

Con(s):

- None

Fiscal Impact:

- The maximum total fee amount of \$168,600 for the annual audit is already included in the adopted fiscal year 2024-2025 General Fund budget.

- Future estimated maximum audit fee for remaining 2 years' submitted in proposal:
 - 2025-2026: \$174,300
 - 2026-2027: \$182,400

Motion:

- Motion to adopt a resolution authorizing the Mayor to execute a contract with Cherry Bekaert, LLP for auditing City accounts for the fiscal year ending June 30, 2025 in the amount no greater than \$168,600.

RESOLUTION BOOK NO. 45 - PAGE 322

F. RESOLUTION NO. 25-41 - RESOLUTION TO PERMIT THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE CHAI PANI HOLI CELEBRATION ON MARCH 14, 2025

RESOLUTION NO. 25-42 - RESOLUTION TO PERMIT THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE DOWNTOWN AFTER 5 EVENTS ON APRIL 18, JUNE 20 AND AUGUST 15, 2025

RESOLUTION NO. 25-43 - RESOLUTION TO PERMIT THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE COMMUNITY CONCERT ON MAY 29, 2025

RESOLUTION NO. 25-44 - RESOLUTION TO PERMIT THE POSSESSION AND CONSUMPTION OF MALT BEVERAGES AND/OR UNFORTIFIED WINE AT THE ASHEVILLE VEGANFEST ON JUNE 22, 2025

Action Requested: Adoption of resolutions to permit the possession and consumption of malt beverages and/or unfortified wine at the Chai Pani Holi Celebration, Downtown After 5, Community Concert, and Asheville Veganfest.

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 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 Downtown Association for the Chai Pani Holi Celebration to be held on March 14, 2025, on Banks Avenue.
 - Asheville Downtown Association for Downtown After 5 to be held on April 18, June 20 and August 15, 2025, at Pack Square Park.
 - Asheville Downtown Association for the Community Concert to be held on May 29, 2025, at Pack Square Park.

- Triangle Vegfest for Asheville Veganfest to be held on June 22, 2025, at Pack Square Park.
- Alcohol boundaries are defined as per the accompanying event site maps.

Council Goal(s):

- This action has no direct connection with the City Council 2036 Vision.

Committee(s):

- None

Pro(s):

- Allows fundraising opportunities for the sponsoring nonprofit organization.

Con(s):

- None

Fiscal Impact:

- This action requires no City resources and has no fiscal impact.

Motion:

- Motion to adopt resolutions to permit the possession and consumption of malt beverages and/or unfortified wine at the Chai Pani Holi Celebration, Downtown After 5, Community Concert, and Asheville Veganfest.

RESOLUTION NO. 25-41 - RESOLUTION BOOK NO. 45 - PAGE 323

RESOLUTION NO. 25-42 - RESOLUTION BOOK NO. 45 - PAGE 326

RESOLUTION NO. 25-43 - RESOLUTION BOOK NO. 45 - PAGE 329

RESOLUTION NO. 25-44 - RESOLUTION BOOK NO. 45 - PAGE 332

- G. RESOLUTION NO. 25-45 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROVE CENTRAL NEBRASKA PACKING INC. AS THE CITY'S SOLE SOURCE VENDOR FOR COMMERCIALLY PREPARED CARNIVORE DIETS FOR THE WNC NATURE CENTER'S CARNIVORES**

Action Requested: Adoption of a resolution authorizing the sole source procurement of Carnivore Diet for WNC Nature Center from Central Nebraska Packing Inc.

Background:

- The City of Asheville's WNC Nature Center is an accredited member of the Association of Zoos and Aquariums (AZA).
- AZA's Accreditation Standard 2.6.2 states that "an accredited facility must follow a written nutrition program and animal diets must be of a quality suitable for each animal's physical and psychological needs" and that "all diets are routinely analyzed for nutritional content by a licensed dietician."
- Central Nebraska Packing Inc. is the only vendor in the US that maintains approved AZA, USDA and AAZV designation for the production of commercially prepared carnivore diets for animals in human care
- The WNC Nature Center has been using Central Nebraska Packing Inc. for its carnivore diets since 2006.

Council Goal(s):

- A Fiscally Resilient City
- A Clean and Healthy Environment

Committee(s):

- None

Pro(s):

- Carnivores at the WNC Nature Center will continue to receive a routinely analyzed diet of the highest nutritional quality.
- The WNC Nature Center will continue to comply with AZA accreditation standard 2.6.2.
- This resolution will allow the WNC Nature Center to order a larger quantity of carnivore diet each year rather than several smaller shipments thus saving over \$2,000 annually on shipping costs.

Con(s):

- None

Fiscal Impact:

- The contract is expected to cost \$12,500 per year, which is included in the WNC Nature Center's Annual Operating Budget.
- Staff estimate that by ordering a larger amount of product at one time, \$2,000 will be saved annually on shipping costs.

Motion:

- Motion to adopt a resolution approving the sole source procurement of carnivore diet for the WNC Nature Center from Central Nebraska Packing Inc.

RESOLUTION BOOK NO. 45 - PAGE 335

H. RESOLUTION NO. 25-46 - RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND THE EXISTING CONTRACT WITH KEN WILSON FORD FOR FORD OE REPAIRS FOR HEAVY TRUCK REPAIR AND SERVICE TO SUPPLEMENT FLEET MAINTENANCE CAPACITY

RESOLUTION NO. 25-47 - RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND THE EXISTING CONTRACT WITH FREIGHTLINER OF ARIZONA D/B/A VELOCITY TRUCK CENTER FOR HEAVY TRUCK REPAIR AND SERVICE TO SUPPLEMENT FLEET MAINTENANCE CAPACITY

Action Requested: Adoption of two (2) resolutions authorizing the City Manager to amend the existing contracts with Ken Wilson Ford for Ford OE Repairs and Freightliner of Arizona d/b/a Velocity Truck Center for Heavy Truck Repair and Service to supplement Fleet Maintenance capacity.

Background:

- Council approved Resolution 24-96 on May 14th, 2024 to enter into a contract based on Request for Proposals (298-RFP-HDRRepair-FY24) advertised in February 2024.

- Freightliner of Arizona / DBA Velocity Truck Center was awarded the contract effective 7/1/2024.
 - The original Contract amount for the initial one (1) year term to be \$60,000.00 with a total not-to-exceed contract amount of \$180,000.00 for all three (3) years (if both optional renewals are exercised).
 - The Contract 92500092 went into effect on July 1st, 2024 as of November 2024 we had expended approximately \$25,000.00 of the predicted \$60,000.00 needed for the initial one (1) year term.
 - Between July 1st 2024 and November 1st 2024, the contract was utilized to pay 11 invoices averaging over \$2100.00 each.
 - Most of these invoices were related to drivability issues, the largest of which was a cooling issue with Unit# 351 totaling \$3913.31.
 - On December 10, 2024 Council approved Resolution 24-268 to amend the contract to add an additional \$60,000.00 per year bringing it to \$120,000.00 per year and a total not -to-exceed amount of \$360,000.00 (if both optional renewals are exercised)
 - Between November 1st 2024 and February 10th 2025, the contract was utilized for an additional 13 invoices averaging approximately \$6650.00,
 - Most of the invoices were related to routine maintenance, drivability, and electrical issues with one of the largest expenses being an engine replacement in Unit# 353 totaling \$56,434.73.
 - As of 2/10/2025 we have expended approximately \$110,000.00 of the \$120,000.00 available.
 - A contract amendment is needed in the amount of \$80,000.00 per year, bringing the total not-to-exceed amount to \$200,000.00 per year, for a total of \$600,000.00 for all three (3) years if both optional renewals are exercised.
- The need for Heavy Truck Repair services has exceeded Fleet expectations.
- Council approved Resolution 24-220 on October 22nd, 2024 to enter into a contract based on Request for Proposals (298-RFP-FordService-FY25) advertised in August 2024.
- Ken Wilson Ford was awarded the contract effective 10/1/2024.
 - The original Contract amount for the initial one (1) year term to be \$150,000.00 with a total not-to-exceed contract amount of \$450,000.00 for all three (3) years (if both optional renewals were exercised)
 - As of 2/10/2025 we have expended approximately \$120,000.00 of the \$150,000.00 available.
 - This contract has been utilized for over thirtyfive (35) invoices to date, the average cost is approximately \$3450.00. This includes several engine and transmission replacements each costing a minimum of \$5000.00. One of the larger expenses in December of 2024 included an engine replacement in City of Asheville Unit# 285 totaling \$27,542.98.
 - A contract amendment is needed in the amount of \$150,000.00 per year, bringing the total not-to-exceed amount to \$300,000.00 per year, for a total of \$900,000.00 for all three (3) years (if both optional renewals are exercised.)
- The original contract amounts were determined based on a combination of prior years spending (challenging with an aging fleet), large expenditures already incurred, upcoming PM schedules, and any known issues that may have been put off due to cost or time.
- These resolutions will allow us to maintain on-call contracts for the City's Fleet of over 1300 Vehicles.
 - TS Helene put additional stresses on much of the City's Vehicles and Equipment causing higher needs for Maintenance and Repair than anticipated.
- On-call contracts make it easier for Fleet staff to Quickly and efficiently obtain estimates and repairs for City of Asheville vehicles.

Vendor Outreach Efforts:

- Fleet staff worked alongside ABI Office throughout the Request for Proposals (RFP) and Selection process conducted in 2024 to ensure opportunities were extended to any and all Vendors.
- The RFP was advertised according to City's ABI and Purchasing Policies and Procedures.
- Staff performed outreach to minority and women owned businesses through solicitation processes which include posting on the State's Electronic Vendor Portal (eVP).
- The Asheville Business Inclusion Office's list of City Vendors for Outreach was consulted for any known relevant vendors before the RFP was advertised.
- No Minority and women owned Business Enterprise (MWBE) vendors were identified during this process.

Council Goal(s):

- Connected and Engaged Community
- Thriving Local Economy

Committee(s):

- None

Pro(s):

- Allows third party service work as a supplement to in house staff.
- Allows for a quicker and more efficient process in the repair of downed vehicles.
- Returns City vehicles to service in a timely manner.
- Provides flexibility in service delivery without significant capital investment in equipment or facilities that aren't used on a daily basis.
- Avoids the cost of transporting inoperable vehicles between vendors to obtain multiple quotes.
- Maintain a healthy working relationship with the Vendor by ensuring timely payments.

Con(s):

- None

Fiscal Impact:

- Funding for this contract is available in the Fleet Division's operating budget.

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute a contract amendment to add an additional \$150,000 per year to this contract, with Ken Wilson Ford for Ford OE Service to supplement Fleet Maintenance, for a total not-to-exceed amount of \$900,000 for all 3 years if both optional renewals are exercised.
- Motion to adopt a resolution authorizing the City Manager to execute a contract amendment to add an additional \$80,000 per year to this contract, with Freightliner of Arizona d/b/a Velocity Truck Center for Heavy Truck Repair and Service to supplement Fleet Maintenance, for a total not-to-exceed amount of \$600,000 for all 3 years if both optional renewals are exercised.

**RESOLUTION NO. 25-46 - RESOLUTION BOOK NO. 45 - PAGE 336
RESOLUTION NO. 25-47 - RESOLUTION BOOK NO. 45 - PAGE 337**

- I. **RESOLUTION NO. 25-48 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A NOT-TO-EXCEED ON-CALL CONTRACT WITH ALL PRO FIRE AND SAFETY**

**RESOLUTION NO. 25-49 - RESOLUTION AUTHORIZING THE CITY
MANAGER TO EXECUTE A NOT-TO-EXCEED ON-CALL CONTRACT WITH
ATLANTIC EMERGENCY SOLUTIONS**

**RESOLUTION NO. 25-50 - RESOLUTION AUTHORIZING THE CITY
MANAGER TO EXECUTE A NOT-TO-EXCEED ON-CALL CONTRACT WITH
WEISIGER GROUP D/B/A CAROLINA CATERPILLAR**

**RESOLUTION NO. 25-51 - RESOLUTION AUTHORIZING THE CITY
MANAGER TO EXECUTE A NOT-TO-EXCEED ON-CALL CONTRACT WITH
ALLSOURCE ENTERPRISES D/B/A SAFE INDUSTRIES**

Action Requested: Adoption of four (4) resolutions authorizing the City Manager to execute Not to Exceed on call contracts for an initial one year term and option for two 1-year renewals with All Pro Fire and Safety, Atlantic Emergency Solutions, Carolina 1926 d/b/a Carolina Caterpillar, and Allsource Enterprises dba Safe Industries for Fire Apparatus Repair and Service for the City's Fleet.

Background:

- The Fleet Management Division of the Public Works Department maintains over 100 City owned Fire Apparatus of various makes & models.
- Subcontracted work is used to supplement existing staff resources at times of high demand or to provide services where the Fleet Division does not have suitable facilities or resources.
- Fire Apparatus repair contracts are needed due to the specialized nature of the vehicles being worked on.
- The Asheville Fire Department's National Fire Protection Association (NFPA) Certification has guidelines that require fire apparatus repair and services be performed by Certified Emergency Vehicle Technicians (EVT).
- Fire Apparatus repairs often require specialized tools and equipment that is not utilized frequently enough in which the City has sought to procure them.
- Request for Proposals (RFP) 298-RFP-FireApparatus-FY25 was advertised in January 2025 for Fire Apparatus Repair and Service.
- A total of Six (6) submissions were received as a result.
- FleetPro Truck Center submitted a proposal and was identified as an MWBE Vendor during this process. We are unable to enter into contract with them for this project as they do not possess EVT (Emergency Vehicle Technician) Certifications. We will use them for other needs as possible.
- Diesel Power Truck Center submitted a proposal during this process however we are unable to enter into a contract with them for this project as they do not possess EVT (Emergency Vehicle Technician) Certifications.
- Fleet Management intends to enter into Four (4) On-Call Contracts with proposing vendors to the Request for Proposals (RFP).
 - All Pro Fire & Safety, Statesville NC; \$75K/yr, \$225K Total
 - Atlantic Emergency Solutions, Candler NC; \$150K/yr, \$450K Total
 - Carolina 1926 d/b/a Carolina Caterpillar, Asheville NC; \$200K/yr, \$600K Total
 - Safe Industries, Oakboro NC; \$400K/yr, \$1.2M Total
- These will be not-to-exceed contracts and no funds will be encumbered until an actual repair is needed.
- These repairs will come from Fleet Management's annual operating budget.
- These contracts will be for an initial term of one (1) year with the option for two (2) one year renewals.

Vendor Outreach Efforts:

- The Request for Proposals (RFP) was advertised according to City’s Asheville Business Inclusion (ABI) and Purchasing Policies and Procedures.
- 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 Asheville Business Inclusion (ABI) Office list of City Vendors for Outreach was consulted for any known relevant vendors before the RFP was advertised.
- FleetPro Truck Center was identified as an MWBE Vendor during this process.

Council Goal(s):

- Connected and Engaged Community
- Thriving Local Economy

Committee(s):

- None

Pro(s):

- Allows third party service work as a supplement to in-house staff.
- Allows for a quicker and more efficient process in the repair of vehicles.
- Returns City Front Line Fire Apparatus to service in a timely manner.
- Provides flexibility in service delivery without significant capital investment in equipment or facilities (e.g., paint shop, etc.) that aren’t used on a daily basis
- Avoids the cost of transporting inoperable vehicles between vendors to obtain multiple quotes.

Con(s):

- None

Fiscal Impact:

- Funding for these contracts is available in the Public Works Department Fleet Division’s operating budget.

Motion:

- Motion to adopt four (4) resolutions authorizing the City Manager to execute on-call contracts with proposing vendors for one year, with the option for two one (1) year renewals for Fire Apparatus Repair and Service to supplement Fleet Maintenance.

RESOLUTION NO. 25-48 - RESOLUTION BOOK NO. 45 - PAGE 338

RESOLUTION NO. 25-49 - RESOLUTION BOOK NO. 45 - PAGE 339

RESOLUTION NO. 25-50 - RESOLUTION BOOK NO. 45 - PAGE 340

RESOLUTION NO. 25-51 - RESOLUTION BOOK NO. 45 - PAGE 341

J. RESOLUTION NO. 25-52 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A SERVICE CONTRACT WITH WILDE ACRE LANDSCAPES FOR MOWING MAINTENANCE OF CITY PARKS

Action Requested: Approval of a resolution authorizing the City Manager to execute a contract with Wilde Acre, Inc., of Asheville, N.C. for mowing and maintenance of city parks.

Background:

- Asheville Parks & Recreation (APR) maintains over 50 parks/greenway facilities, this contract will provide mowing service at 15 priority park/greenway properties while APR Asset Management team will maintain the other 35 park/greenway properties.
- Each year it has become increasingly difficult to recruit, hire and train qualified temporary seasonal workers.
- A Request for Proposals was advertised for interested companies to provide mowing services for one (1) year with an option to renew for an additional two (2) years.
- Wilde Acre, was selected based on having the lowest responsive and responsible bid.
- The contractor will provide all labor, materials, and supplies for the operations and management for mowing services, ensuring the priority parks will be operated in a well kept, safe, efficient manner.

Vendor Outreach Efforts:

- Staff performed outreach to minority- and women-owned businesses through solicitation processes which included direct vendor outreach, and posting on the State's Interactive Purchasing System to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers.
- There were five proposals submitted including one minority and two woman owned businesses.
- The selected company is a Minority or Women-Owned Business Enterprise (MWBE).
- The contractor was selected based on the lowest responsive / responsible bid.

Council Goal(s):

- Improve and Expand Core Services

Committee(s):

- None

Pro(s):

- Contracting with a professional landscape maintenance company will allow for consistent, efficient maintenance
- Reduces the seasonal hiring impacts on the Human Resources/Parks & Recreation Departments to recruit, hire and on-board temporary/seasonal employees.

Con(s):

- None

Fiscal Impact:

- Funding for this contract exists within the currently approved APR operating budget.

Motion:

- Motion to authorize the City Manager to execute a service contract with Wilde Acre Landscapes, for mowing maintenance of city parks for an annual amount not to exceed \$213,109 with option to renew maintenance services for up to two (2) additional years for a total contract amount not to exceed \$639,327.

RESOLUTION BOOK NO. 45 - PAGE 342

- K. RESOLUTION NO. 25-53 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A SERVICE CONTRACT WITH RIVERTOP CONTRACTING NC FOR MOWING MAINTENANCE OF RIVERSIDE CEMETERY**

Action Requested: Approve the resolution authorizing the City Manager to execute a contract with Rivertop, Inc., of Asheville, N.C. for mowing & maintenance of Riverside Cemetery.

Background:

- The Parks & Recreation Department maintains over 87 acres of predominantly mowing and edging at Riverside Cemetery weekly during the months of March through October.
- Each year it has become increasingly difficult to recruit, hire and train qualified temporary seasonal workers.
- A Request for Proposals was advertised for interested companies to provide mowing services for (1) year with an option to renew for an additional (2) years.
- Rivertop Contracting, was selected based on having the lowest responsive and responsible bid.
- The contractor will provide all labor, materials, and supplies for the operations and management for mowing services, ensuring the priority parks will be operated in a well kept, safe, efficient manner.

Vendor Outreach Efforts:

- Staff performed outreach to minority- and women-owned businesses through solicitation processes which included direct vendor outreach, and posting on the State's Interactive Purchasing System to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers.
- There were six proposals submitted including one minority and two woman owned businesses.
- The selected company is not a Minority or Women-Owned Business Enterprise (MWBE).
- The contractor was selected based on the qualifications, understanding of the scope of services, cost, and availability.

Council Goal(s):

- Improve and Expand Core Services

Committee(s):

- None

Pro(s):

- Contracting with a professional landscape maintenance company will allow for consistent, efficient maintenance
- Reduces the seasonal hiring impacts on the Human Resources/Parks & Recreation Departments to recruit, hire and on-board temporary/seasonal employees.

Con(s):

- None

Fiscal Impact:

- Funding for this contract exists within the currently approved Parks & Recreation department operating budget.

Motion:

- Motion to authorize the City Manager to execute a service contract with Rivertop Contracting, NC for mowing & grounds maintenance of Riverside Cemetery for an annual amount not to exceed \$66,240 with option to renew maintenance services for up to two (2) additional years for a total contract amount not to exceed \$198,720

L. RESOLUTION NO. 25-54 - RESOLUTION OF SUPPORT FOR THE N.C. DEPT. OF TRANSPORTATION TO ABANDON A SEGMENT OF CAMPUS DRIVE AS REQUESTED BY THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE

Action Requested: Adopt a resolution of support for the North Carolina Department of Transportation to abandon a segment of Campus Drive as requested by the University of North Carolina at Asheville.

Background:

- The University of North Carolina at Asheville (UNCA) has filed an Abandonment Petition with the North Carolina Department of Transportation (NCDOT), requesting that a portion of secondary road SR-1683 (Campus Drive) be abandoned by NCDOT for a total length of 0.45 miles.
- Because this roadway is within the City of Asheville's city limits, the City Council is required to provide a resolution of support for the requested abandonment.
- City staff has reviewed UNCA's petition request and finds the information accurate and does not have any concerns regarding the transfer of responsibility including maintenance for this section of Campus Drive from NCDOT to UNCA.
- The remainder of Campus Drive already is owned and maintained by UNCA.

Vendor Outreach Efforts:

- N/A

Council Goal(s):

- N/A

Committee(s):

- N/A

Pro(s):

- UNCA assumes ownership and maintenance responsibility of what is currently an NCDOT-maintained portion of road.

Con(s):

- None

Fiscal Impact:

- None

Motion:

- Motion to adopt a resolution of support for the North Carolina Department of Transportation to abandon a segment of Campus Drive as requested by the University of North Carolina at Asheville.

RESOLUTION BOOK NO. 45 - PAGE 344

M. RESOLUTION NO. 25-55 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH JARRETT WALKER & ASSOCIATES LLC TO CONDUCT A COMPREHENSIVE OPERATIONAL ANALYSIS OF THE CITY OF ASHEVILLE'S RIDES TRANSIT SYSTEM

Action Requested: Adoption of a resolution authorizing the City Manager to execute a contract with Jarrett Walker & Associates, LLC in an amount not to exceed \$299,877 to conduct a Comprehensive Operational Analysis of the City's Asheville Rides Transit system.

Background:

- The Asheville Rides Transit (ART) system played a key role in the City's Helene response and has continued to be integral to the community's storm recovery.
- As part of the Fiscal Year 2025 budget process, the City Council approved funding to prepare a Comprehensive Operational Analysis of the Asheville Rides Transit system (ART).
- The study's scope of work includes evaluating service needs, ridership demand, demographic changes, and future growth over the next 10 years. The study will assess current operations, explore new service delivery methods like microtransit, consider environmental and financial sustainability, and recommend short-term (1-5 years) and long-term (6-10 years) service changes for potential implementation.
- In this study the contractor will recommend cost-neutral changes as well as full-cost improvements that consider both operational and capital needs.
- In this study a robust community engagement effort will be conducted in order to solicit feedback from the community and various stakeholders through workshops and surveys.
- The study is expected to conclude in March 2026 and will include a final report that will detail recommendations and a strategy for their implementation.
- By assessing and building on the City's goals and strategies as established in the Transit Master Plan, this study will not only identify areas of improvement but also be instrumental in developing a framework to enhance service reliability and support the community's mobility needs throughout the storm recovery process and into the future.

Vendor Outreach Efforts:

- Outreach and engagement followed the City's business inclusion processes. This process requires, at a minimum, staff outreach to businesses that have a documented contracting disparity directly and/or through prime contractors.
- Four proposals were received in response to the RFP:
 - All four proposals provided the required ABI documents in their proposals.
 - One proposal reported itself as self-performing.
 - Three of the four proposals include subcontracting with women-owned businesses.
 - The proposal from Jarrett Walker & Associates, LLC includes partnering with Simon Resources, Inc. which is a women-owned communications, surveying, and public engagement firm.
 - An ad-hoc Selection Committee was formed to select the most qualified firm and included members from the departments of Transportation, Finance, and Communications & Public Engagement, Buncombe County, French Broad River Metropolitan Planning Organization, and others.
 - The Selection Committee selected Jarrett Walker & Associates, LLC for the contract.

Council Goal(s):

- Transportation and accessibility

Committee(s):

- N/A

Pro(s):

- Approving the contract will allow the City to conduct a Comprehensive Operational Analysis of the Transportation Department's Transit Division.

- This study will provide cost-neutral and full-cost recommendations for improving the efficiency and effectiveness of the Asheville Rides Transit system (ART) and establish a potential implementation strategy for short-term (1-5 years) and long-term (6-10 years) service changes.

Con(s):

- N/A

Fiscal Impact:

- This contract will not exceed \$299,877.
- Funding for the project is currently budgeted in the FY25 Transit Operations Fund.

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute a contract with Jarrett Walker & Associates, LLC in an amount not to exceed \$299,877 to conduct a Comprehensive Operational Analysis of the City's Asheville Rides Transit system.

RESOLUTION BOOK NO. 45 - PAGE 345

N. RESOLUTION NO. 25-56 - RESOLUTION OF INTENT TO PERMANENTLY CLOSE A PORTION OF AN UNOPENED RIGHT-OF-WAY CONNECTED TO MORNINGSIDE DRIVE BETWEEN COVENTRY CIRCLE AND BREVARD ROAD, AND TO SET A PUBLIC HEARING ON APRIL 8, 2025

Action Requested: Adoption of a resolution of intent to permanently close a portion of an unopened right-of-way connected to Morningside Dr, located between 99999 Coventry Cir (963810210800000) and 99999 Brevard Rd (963810327200000), and to schedule a public hearing on such closure for April 8, 2025.

Background:

- North Carolina General Statute § 160A-299 grants cities the authority to permanently close streets and alleys.
- The statute requires City Council to consider whether the closure of the right-of-way has a negative impact to the public interest and whether the closure would impede access to parcels, utilities, and other public infrastructure.
- Property Owner, Kevin Hole LLC has submitted an application requesting to permanently close approximately 208' of unopened right-of-way accessed from Morningside Drive.
- There are no utility conflicts, nor any transportation connectivity opportunities associated with this unopened right-of-way.
- The closure is intended to facilitate a small subdivision project.

Council Goal(s):

- Transportation and accessibility.

Committee(s):

- Technical Review Committee (TRC), December 2, 2024 - recommended approval;
- Multimodal Transportation Commission (MMTC) - Due to the temporary suspension of boards and commissions, the MMTC did not review the request. However, MMTC review is not legally required and the applicant has requested to move forward.

Pro(s):

- There are no utility conflicts, nor any transportation connectivity opportunities associated with this unopened right-of-way.

Con(s):

- None.

Fiscal Impact:

- There is no fiscal impact associated with the requested right-of-way closure

Motion:

- Motion to adopt a resolution to set a public hearing for April 8, 2025, to permanently close a portion of an unopened right-of-way connected to Morningside Dr, located between 99999 Coventry Cir (963810210800000) and 99999 Brevard Rd (963810327200000).

RESOLUTION BOOK NO. 45 - PAGE 346

- O. RESOLUTION NO. 25-57 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT, EXPEND, AND DISBURSE FEDERAL TRANSIT ADMINISTRATION GRANTS APPORTIONED TO THE ASHEVILLE URBANIZED AREA FOR FISCAL YEAR (FY) 2019, FY 2020, AND FY 2023 FROM THE SECTION 5307 URBAN TRANSIT FUNDING, SECTION 5307 JOB ACCESS REVERSE COMMUNITY, AND SECTION 5310 ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES PROGRAMS; AND TO EXECUTE ALL NECESSARY AGREEMENTS BETWEEN THE CITY OF ASHEVILLE AND APPLICABLE TRANSIT SUBRECIPIENTS FOR THE DISBURSEMENT OF APPROVED FUNDS**

ORDINANCE NO. 5123 - BUDGET AMENDMENT FOR PREVIOUSLY UNBUDGETED PASS-THROUGH FUNDING FROM THE FEDERAL TRANSIT ADMINISTRATION GRANTS

Action Requested: Adoption of a (1) resolution authorizing the City Manager to accept, expend and disburse Federal Transit Administration Grants apportioned to the Asheville Urbanized Area for FY 2019, FY 2020, and FY 2023 from the Section 5307 Urban Transit Funding, Section 5307 Job Access Reverse Commute, and Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Programs; and to execute all necessary agreements between the City of Asheville and applicable transit subrecipients for the disbursement of approved funds in executed grants including FTA eligible projects; and (2) an associated budget amendment, in the amount of \$3,121,186 for previously unbudgeted pass-through funding.

Background:

- Federal Transit Administration (FTA) grant funds are apportioned to the Asheville Urbanized Area (AUZA) annually by the Federal Transit Administration and are disbursed by the City of Asheville, as the Designated Recipient, to the regional transit agencies (Subrecipients), including Buncombe County, Haywood County and Henderson County.
- This action would authorize the expenditure and disbursement of City and Subrecipient transit grant funds for FY 2019, FY 2020, and FY 2023 from three annual programs that support existing transit services.
 - *Section 5307 Urban Transit Funds* - These funds are allocated annually to the Asheville Urbanized Area (AUZA) and are split between the City and Subrecipients based on a formula determined by the French Broad River MPO (FBRMPO). Funds cannot be expended until approved in an executed FTA grant.
 - *Section 5307 Job Access Reverse Commute (JARC)* - The total amount of funds for this program originates from a 10% set-aside of Section 5307 Urban Transit funds. Each year, agencies must apply to the FBRMPO for JARC Funds. The

City typically receives JARC funds to offset some of the cost of Route 170, and more recently Route S3.

- *Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities* - These funds are allocated annually to the AUZA. Each year, agencies must apply to the FBRMPO for 5310 funds.
- The City Attorney’s Office and Purchasing Division have determined that a City Council resolution specifically authorizing the disbursement of funds to each Subrecipient, the amount being disbursed to each, and the execution of agreements for each of the subject Fiscal Years, is necessary in order to provide reimbursements to Subrecipients. This action was already approved by the City Council for FY 2021 and FY 2022 last year.

The following tables outline the amounts being disbursed to each entity by program for FY 2019, FY 2020, FY 2023.

Section 5307 Urban Transit Funds

FY19 Section 5307 Urban Transit Funding	
Subrecipient	Allocation Amount
JARC Set-Aside (10% of total allocation)	\$296,270
City of Asheville	\$1,136,752
Buncombe County	\$763,169
Haywood County	\$222,398
Henderson County	\$544,114
Total	\$2,962,703

FY20 Section 5307 Urban Transit Funding	
Subrecipient	Allocation Amount
JARC Set-Aside (10% of total allocation)	\$303,792
City of Asheville	\$1,165,611
Buncombe County	\$782,544
Haywood County	\$228,044
Henderson County	\$557,928
Total	\$3,037,919

FY23 Section 5307 Urban Transit Funding	
Subrecipient	Allocation Amount
JARC Set-Aside (10% of total allocation)	\$408,379
City of Asheville	\$1,566,828
Buncombe County	\$1,051,904
Haywood County	\$306,529
Henderson County	\$750,152
Total	\$4,083,792

Section 5307 Job Access Reverse Commute Funds

FY19 Section 5307 JARC Funds			
Subrecipient	Project	Amount Funded	Local Match (Varies)
City of Asheville	ART Route 170	\$231,558	\$231,558
Buncombe County	Black Mountain Trailblazer	\$35,055	\$35,055
Mountain Projects	URBAN Fixed Route-Capital	\$94,400	\$23,600
Mountain Projects	URBAN Fixed Route - Operations	\$99,000	\$99,000
City of Asheville	JARC Admin of Mountain Projects	\$22,131	\$0
City of Asheville	JARC Admin Fee at 10%	\$29,627	\$0
Total		\$511,771	\$389,213

FY20 Section 5307 JARC Funds			
Subrecipient	Project	Amount Funded	Local Match (varies)
City of Asheville	ART Route 170	\$210,124	\$210,124
Buncombe County	Black Mountain Trailblazer	\$81,704	\$81,704

FY20 Section 5307 JARC Funds			
City of Asheville	JARC Admin Fee at 10%	\$32,681	\$0
Total		\$324,509	\$291,828

FY23 Section 5307 JARC Funds			
Subrecipient	Project	Amount Funded (50%)	Local Match (50%)
City of Asheville	ART Routes 170 and S3	\$408,379	\$408,379
Total		\$408,379	\$408,379

Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities

FY19 Section 5310 Funds			
Subrecipient	Project	Amount Funded	Local Match (varies)
City of Asheville	ADA Paratransit	\$166,832	\$41,708
Buncombe County	Supplemental Elderly and Disabled Transportation Assistance Program (EDTAP)	\$18,559	\$4,640
Buncombe County	RIDE Voucher Program	\$13,508	\$13,508
Council on Aging	Call-A-Ride Program	\$15,196	\$15,196
Land of Sky	Senior Companions Program	\$11,815	\$11,815
Madison County	Mars Hill Transportation	\$17,426	\$17,426
Madison County	Nutrition Access	\$14,745	\$14,745
Mountain Projects	URBAN Fixed Route Paratransit	\$42,250	\$42,250
City of Asheville	Program Administration	\$33,704	\$0
Total		\$334,035	\$161,288

FY20 Section 5310 Funds			
Subrecipient	Project	Amount	Local Match

FY20 Section 5310 Funds			
		Funded	(varies)
City of Asheville	Paratransit Services	\$102,787	\$25,697
Buncombe County	SEDTAP	\$102,787	\$25,697
Buncombe County	RIDE Voucher Program	\$20,112	\$20,112
Land of Sky	Senior Companions Program	\$42,838	\$42,838
Madison County	Expanded Nutrition Access	\$26,058	\$26,058
Madison County	Expanded Transp to Mars Hill	\$17,426	\$17,426
Mountain Projects	Haywood Public Transit-Paratransit (CRRSAA)	\$54,138	\$0
City of Asheville	Program Administration (CRRSAA)	\$6,015	\$0
City of Asheville	Program Administration	\$34,668	\$0
Total		\$406,829	\$157,828

FY23 Section 5310 Funds			
Subrecipient	Project	Amount Funded	Local Match (varies)
Buncombe County	SEDTAP	\$277,607	\$69,402
Buncombe County	RIDE Voucher Program	\$34,441	\$34,441
Council on Aging ARPA 5310	Call-A-Ride and SWS	\$34,483	\$34,483
Land of Sky	Senior Companions Program	\$107,734	\$107,734
City of Asheville	Program Administration	\$50,474	\$0
Total		\$504,739	\$246,060

Vendor Outreach Efforts:

- N/A. These funds are apportioned to the Asheville Urbanized Area (AUZA) annually by the Federal Transit Administration and are disbursed by the City of Asheville, as the Designated Recipient, to the regional transit agencies (Subrecipients), including Buncombe County, Henderson County, Haywood County, etc.

Council Goal(s):

- Transportation and accessibility

Committee(s):

- N/A

Pro(s):

- This action would authorize the acceptance, expenditure and disbursement of City and subrecipient transit grant funds for FY 2019, FY 2020, and FY 2023 from three annual programs that support *existing* transit services.
- The authorization will allow the City to process reimbursement requests for the City's Transit Subrecipients.

Con(s):

- None

Fiscal Impact:

- The City's required matching funds are included annually in the Transit Fund operating budget. The City's local match for FY 2019, FY 2020, and FY 2023 Section 5307 Urban Transit funding and FY 2019, FY 2020, and FY 2023 JARC funding was already encumbered.
- The City "passes through" funding to each subrecipient and is not responsible for their local match. Some pass through funding was previously budgeted.

Motion:

- Motion to adopt (1) a resolution authorizing the City Manager to expend and disburse Federal Transit Administration Grants apportioned to the Asheville Urbanized Area for FY 2019, FY 2020, and FY 2023 from the Section 5307 Urban Transit Funding, Section 5307 Job Access Reverse Commute, and Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Programs; and to execute all necessary agreements between the City of Asheville and applicable transit Subrecipients for the disbursement of approved funds; and (2) an associated budget amendment, in the amount of \$3,121,186 for previously unbudgeted pass through funding.

**RESOLUTION BOOK NO. 45 - PAGE 348
ORDINANCE BOOK NO. 36 - PAGE 114**

P. ORDINANCE NO. 5124 - BUDGET AMENDMENT FOR THE DEPT. OF ENERGY RENEWABLES ADVANCING COMMUNITY ENERGY RESILIENCE SUBAWARD GRANT

Action Requested: Adoption of a budget amendment to the City's Special Revenue Fund, in the amount of \$61,500, for the Department of Energy Renewables Advancing Community Energy Resilience (DOE RACER) grant.

Background:

- On July 26, 2022, City Council authorized the City Manager to partner on a grant application to the Department of Energy Renewables Advancing Community Energy Resilience grant with the North Carolina Clean Energy Technology Center of NC State University, and execute all agreements if awarded.
- The North Carolina Clean Energy Technology Center of NC State University was awarded this grant.
- The City of Asheville is a subawardee of NC State's awarded grant and a budget amendment is required to proceed with the project and request reimbursement once funds are spent.

- The project will procure engineering consulting services to study the feasibility of adding battery storage and onsite solar (where not present) in one or more City of Asheville buildings, with a prioritization of critical emergency infrastructure.

Council Goal(s):

- Improve and Maintain Infrastructure and Core Services
- Neighborhood and Climate Resilience

Pro(s):

- Allows the City to budget for a previously approved project.

Con(s):

- None.

Fiscal Impact:

- This project is anticipated to be fully funded with a \$61,500 reimbursement. No matching funds are required.

Motion:

- Motion to adopt: a budget amendment to the City’s Special Revenue Fund, in the amount of \$61,500, for the DOE RACER grant.

ORDINANCE BOOK NO. 36 - PAGE 115

Q. RESOLUTION NO. 25-58 - RESOLUTION CONFIRMING APPROVAL OF A MULTIFAMILY HOUSING FACILITY TO BE KNOWN AS LAUREL WOOD APARTMENTS IN THE CITY OF ASHEVILLE, N.C., AND THE FINANCING THEREOF WITH MULTIFAMILY HOUSING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$12,775,000

Action Requested: Adoption of a resolution affirming the approval of the issuance bonds by the Housing Authority of the City of Asheville for Laurel Wood Apartments.

Background:

- The Asheville Housing Authority was created by the City of Asheville in 1940 in accordance with Chapter 157 of the NC General Statutes.
- It is a public body and is independent from the City with its own powers as outlined in North Carolina General Statute Chapter 157.
- The Housing Authority is governed by a Board of Commissioners, consisting of 7 members, who serve for a 4 year term and are appointed by the Mayor of the City of Asheville.
- The Internal Revenue Service requires that any bonds issued by the Housing Authority for developments such as the one described herein, have the financing plan approved by the City Council, following a public hearing with respect to such plan.
- Laurel Wood VOA Affordable Housing , LLC (the “Borrower”) previously requested that the Asheville Housing Authority (the “Issuer”) issue multifamily housing revenue bonds for the acquisition and rehabilitation of a 51-unit affordable rental development for seniors known as Laurel Wood Apartments and the construction of 54 additional, affordable units on the site to become part of Laurel Wood Apartments located at 650 Caribou Road in Asheville, a 14.72 acre parcel identified as PIN 9657-10-3768 in the Buncombe County Registry.
- All 105 units in the development will be rent and income restricted at 40, 50, 60 and 80% of area median income with an affordability period of at least 30 years.

- On March 12, 2024 the City Council adopted Resolution No, 24-66 approving the Housing Authority issuance of not to exceed \$12,775,000 of tax-exempt bonds for the Laurel Wood Apartments development.
- Under the federal tax Code, bonds approved by an elected body for purposes of Section 147(f) of the Code must be issued within one year of the date of such approval; and
- Due to an unexpected delay in completing the financing for the Development, the closing of the Bonds has been delayed such that the Bonds will not be issued by March 12, 2025 and therefore, the Authority and the Borrower have requested the City Council reapprove the issuance of the Bonds to satisfy the requirements of Section 147(f) of the Code.

Council Goals:

- Quality Affordable Housing

Pro(s):

- 51 units of affordable senior housing will be preserved and renovated and 54 additional affordable senior housing units will be constructed.
- The new affordability period will be at least 30 years.

Con(s):

- None.

Fiscal Impact:

- This action requires no City resources and has no fiscal impact.

Motion:

- Motion to adopt a resolution reaffirming City Council approval of the issuance by the Housing Authority of the City of Asheville of up to \$12,775,000 of multifamily housing revenue bonds to provide financing for Laurel Wood Apartments and to satisfy Section 147(f) of the Internal Revenue Code.

RESOLUTION BOOK NO. 45 - PAGE 353

R. RESOLUTION NO. 25-59 - RESOLUTION APPROVING THE ISSUANCE OF UP TO \$1,000,000 MULTIFAMILY HOUSING REVENUE BONDS TO PROVIDE FINANCING FOR BATTERY PARK APARTMENTS TO SATISFY SECTION 147 (F) OF THE INTERNAL REVENUE CODE

Action Requested: Adoption of a resolution approving the issuance of additional bonds by the Housing Authority of the City of Asheville for Battery Park.

Background:

- On September 27, 2022 via Resolution No. 22-222, the Asheville City Council granted the request of Battery Park (TC2) Senior Housing Limited Partnership (the “Borrower”) to approve the Asheville Housing Authority (the “Issuer”) issuance of up to \$20,000,000 in multifamily housing revenue bonds for the acquisition and rehabilitation of Battery Park Apartments.
- Battery Park is a 100% subsidized senior housing community for residents aged 62 and older, located at 1 Battle Square in downtown Asheville, consisting of one, 14-story building with 122 affordable apartments (113 one-bedrooms and 9 two-bedrooms). The building was originally constructed in the early 1920s as the Battery Park Hotel and underwent an extensive adaptive reuse in the 1980s to allow for affordable housing.
- The property has been well maintained and managed by National Church Residences, but has not undergone a substantial renovation since 2005. The rehabilitation was

needed to address critical capital needs of the building to improve safety, accessibility and extend its useful life.

- Construction and rehabilitation commenced in September 2022 and was expected to have a duration of approximately 16 months.
- Due to increased costs resulting from delays in construction related to Hurricane Helene, the developer/"Borrower" has determined that additional tax-exempt debt is needed for this project.
- The Borrower has received an additional \$1Million in bond allocation from the North Carolina Housing Finance Agency and the Asheville Housing Authority will issue the additional bonds.
- The Internal Revenue Service requires that any bonds issued by the Housing Authority for developments such as this have the financing plan approved by the City Council, following a public hearing with respect to such plan.
- Therefore, Battery Park (TC2) Senior Housing Limited Partnership (the "Borrower") requests City Council approval for the Asheville Housing Authority (the "Issuer") to issue an additional amount of \$1,000,000 in multifamily housing revenue bonds for the acquisition and rehabilitation of Battery Park Apartments.
- Staff notes that approval does not obligate the City in any way to issue or pay for the bonds, or for any debt taken on by the developer.

Council Goals:

- Quality Affordable Housing

Pro(s):

- 122 units of affordable senior housing will be preserved and renovated.

Con(s):

- None.

Fiscal Impact:

- This action requires no City resources and has no fiscal impact.

Motion:

- Motion to adopt a resolution approving in principle the issuance by the Housing Authority of the City of Asheville of an additional \$1,000,000 of multifamily housing revenue bonds for the completion of the rehabilitation of Battery Park Apartments.

RESOLUTION BOOK NO. 45 - PAGE 355

S. MOTION APPOINTING COUNCILWOMAN SAGE TURNER (REPLACING MAYOR ESTHER MANHEIMER) AS ONE OF THE TWO MEMBERS TO THE FRENCH BROAD RIVER METROPOLITAN PLANNING ORGANIZATION

T. MONTHLY MUNICIPAL PROPERTY TAX REFUNDS OR RELEASES PER N.C. GEN. STAT. SEC. 105-381

Action Requested: Adoption of City of Asheville property tax refunds and releases for the month of January 2025.

Background:

- Buncombe County currently bills and collects City property taxes
- At the August 22, 2023, meeting, City Council approved an addendum to the existing tax collection agreement with Buncombe County to ensure that it fully conforms to the

provisions of Chapter 105 of the North Carolina General Statutes, entitled The Revenue Act.

- As part of that compliance, the City Council must, on a monthly basis, approve all property tax releases and refunds that have been approved by the Buncombe County Board of Commissioners.
- City of Asheville refunds and releases for January 2025 are included in the document.

Council Goal(s):

- A Financially Resilient City

Pro(s):

- Ensures compliance with provisions of Chapter 105 of the North Carolina General Statutes, entitled The Revenue Act.

Con(s):

- None

Fiscal Impact:

- None.

Suggested Motion:

- Motion to adopt City of Asheville property tax refunds and releases for the month of January 2025.

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.

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

III. PRESENTATIONS & REPORTS:

A. MANAGER'S REPORT

Asheville Recovers Website - ashevillerecovers.org

Communication & Public Engagement Director Dawa Hitch outlined the following key takeaways from her presentation (1) One Stop Shop - AshevilleRecovers.org was designed to ease navigation through the many channels feeding into our city's ongoing recovery efforts; (2) User Focused Design - Many of the features were inspired by feedback City staff received through the Helene Recovery Engagement Hub; and (3) Built to Evolve and Adapt - The site will continue to grow and evolve and we invite the community to share events, suggestions or resources.

She said progress updates are available through a number of pages including: Maps & Data page; Recent News; and Recovery Focus Area pages. AshevilleRecovers.org aims to be a central launching pad for the many meetings, events and deadlines surrounding Helene Recovery efforts. Information includes events hosted by the City of Asheville as well as community

partners. Opportunities for grants and deadlines; volunteering; engagement; and small business assistance, etc. are also on the new website page.

She said the following are communication themes seen in engagement hub comments: Desire for easier access to information; Confusion about deadlines; Importance of progress updates; Availability of programs; and Communication overwhelm due to multiple communication sources. Since the February 19 launch, 2484 people have visited the site. The debris page and CDBG-DR pages are currently the most visited pages.

She said the website is built to evolve and adapt.

IV. PUBLIC HEARINGS:

Mayor Manheimer has had a request to reorder the public hearings in order for the two citizen-initiated public hearings to be held first.

A. PUBLIC HEARING PREVIOUSLY HELD - VOTE TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE TO CHANGE THE DEVELOPMENT REGULATIONS RELATED TO COTTAGE DEVELOPMENTS

PUBLIC HEARING PREVIOUSLY HELD - VOTE TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE IN ORDER TO UPDATE REGULATIONS FOR FLAG LOT STANDARDS

Mayor Manheimer said that on September 10, 2025, and February 11, 2025, a combined public hearing was open and closed on both matters and they were continued to this date.

Mr. Collins provided an overview of staff vs. resident-led proposals; along with map alternatives for excluding geographics.

Regarding the proposed flag lot standards, staff and the petitioner are now aligned on the technical standards. Staff recommendation continues to be denial due to previous Council guidance around changes to residential zoning. He reviewed the chart below:

Clause	Existing Regulation	Current Proposal
Minimum flagpole width	20 feet	16 feet unless part of a shared driveway, then 10 feet
Flag lots allowed in a subdivision	10 percent of lots	25 percent of lots
Parent parcel side setback along flagpole	Minimum lot standard (typically 6 feet)	Three feet
Structure Size	NA	1,000 SF footprint, 1,400 SF total area
Front Setback	Minimum lot standard (typically 15 feet)	Six feet, unless a duplex is placed between lots, then zero

Regarding the cottage development standards, staff and the petitioner differs on recommended minimum number of units. The community intent of cottage clusters cannot be met with 2 units. A more direct way of allowing two units on a lot would be to change single-family zoning. Staff recommends denial due to differences and previous Council guidance. He reviewed the chart below:

Clause	Existing Regulation	Current Proposal	Staff Recommended Option
Minimum number of Cottage Units	5 Units	2 Units	3 Units
Separation between cottage developments	200 Feet	None	None
Cottage Orientation	Requirement to Orient Each Cottage to the Primary Street	None	None

Mr. Collins then showed (1) Map One - Legacy Neighborhood boundaries; (2) Map Two - Areas most vulnerable to change; and (3) Map Three - Legacy Neighborhood boundaries and areas most vulnerable to change combined.

ORDINANCE NO. 5125- PUBLIC HEARING TO AMEND THE UNIFIED DEVELOPMENT ORDINANCE TO CHANGE THE DEVELOPMENT REGULATIONS RELATED TO COTTAGE DEVELOPMENTS

This is the consideration of a resident-led text amendment to Section 7-16-1 (b) (20) to change the development regulations related to cottage developments. This public hearing was advertised on October 13 and 20, 2023. On October 24, 2023, this public hearing was continued to January 23, 2024. On January 23, 2024, this public hearing was continued to February 13, 2024. On February 13, 2024, this public hearing was continued to April 23, 2024. On April 23, 2024, at the request of the applicant that the public hearing be continued, City Council continued the hearing to September 10, 2024 -On September 10, 2024, the public hearing was continued to February 11, 2025. On February 11, 2025, the public hearing was continued to this date.

For information purposes only, the following staff report regarding cottage development standards was provided to City Council and the public:

“Action Requested: Consideration of a resident-led text amendment of Section 7-16-1(b)(20) to change the development regulations related to cottage developments.

Background:

- The intention of the Cottage Development Ordinance is to permit smaller, single-unit dwellings to live in clustered communities oriented around common open space.
- This is currently permitted in RS-8, RM-6, RM-8 and RM-16 zoning districts.

- As multi-family residential is already an allowed use within RM districts, the anticipated impact of this amendment would be primarily within RS-8 zoning.
- This resident-led UDO amendment proposes to:
 - reduce the minimum number of cottages from five to two. (The petitioner has amended the original to leave the current minimum of five cottages for properties south of I-40 and north of the Blue Ridge Parkway as a response to concerns from the Shiloh neighborhood.)
 - eliminate the 200 foot separation requirement between cottage developments, and
 - to eliminate the clause that orients cottages toward the primary street.
- The Missing Middle Housing Study recommends not decreasing the minimum number of cottages to anything less than three, because that would undermine the primary intent of the cottage cluster: to create community-oriented living and shared open space.
- The proposed text amendment has been reviewed against the recently-passed state legislation (SB 382) that limits municipal downzoning action. This review found no conflict with this legislative regulation.
- Staff presented an overall anti-displacement strategy and timeline for Council policy consideration at a Council work session on September 24, 2024 and had proposed to be able to present specific anti-displacement and housing updates in January. However, Tropical Storm Helene impacted the work plan by prioritizing staff to support recovery efforts.
- On September 10, 2024, the City Council public hearing was held and then Council agreed to postpone a vote until February 11, 2025.

Comprehensive Plan Consistency:

- This proposal's intention generally aligns with a number of themes within the *Living Asheville Comprehensive Plan* including 'A Livable Built Environment'. The following goals are applicable to this zoning amendment:
 - Increase and Diversify Housing Supply

Council Goal(s):

- A Well-Planned and Livable Community

Committee(s):

- Planning and Zoning Commission, 08-2-2023, Recommended approval by 3-1 vote
- Urban Forestry Commission, 4-10-2024, Support staff alternate ordinance

Pro(s):

- Reduces the land requirement for the creation of new cottage developments, which may lead to more housing units.

Con(s):

- This resident-led proposal undermines the intent of community-based housing by reducing the minimum number of cottages to two, which is effectively a way to implement an allowance for two housing units per lot that is currently precluded by single-family zoning.
- A better process would be to consider adjustments to residential single-family zoning and/or permitting duplexes in all zoning districts.
- Conflicts with the recommendations regarding cottage development of the City's Missing Middle Study

Fiscal Impact:

- This action requires no additional City resources and has no fiscal impact.

Staff Recommendation:

- Staff recommends denial of the resident-led proposed zoning text amendment to Section 7-16-1(b)(20) of the UDO and finds it unreasonable and not in the public interest because it undermines the intent of the Cottage Cluster ordinance as stated in the UDO, and acts as a way to circumvent permitted uses within certain residential zoning districts.

Suggested Motion:

- Motion to deny the resident-led proposed wording amendments to Chapter 7 of the Asheville Code of Ordinances and find that the proposed amendments are not reasonable, are not in the public interest, and are not consistent with the City's comprehensive plan and supportive studies.

Alternate Motion if Approved:

- Motion to approve the resident-led proposed wording amendments to Chapter 7 of the Asheville Code of Ordinances and find that the proposed amendments are reasonable, in the public interest, and consistent with the Comprehensive Plan.”

In response to Councilman Hess, Mr. Collins said that three units would not be applicable to the tree canopy protection ordinance. Councilwoman Roney noted that was why the Urban Forestry Commission did not recommend approval as proposed by the applicant.

City Attorney Branham said that the motion in front of Council now is the previous motion to deny the UDO amendment regarding cottage development standards. The motion was made by Councilwoman Roney at the February 11, 2025, meeting to deny the UDO amendment regarding cottage development standards and that we now need a second to continue with that motion. Vice-Mayor Mosley seconded the motion and the motion failed on a 3-4 vote, with Councilman Hess, Mayor Manheimer, Councilwoman Turner and Councilwoman Ullman voting “no.”

Councilwoman Ullman said that she supported the amendments for cottage development and flag lot standards, to allow them in most of the neighborhoods, but putting pause on the neighborhoods that are on Map 3. That would allow for more time, diligence, conversation and listening from the City to the community members in those neighborhoods to hear what type of things they are interested in for displacement work, do they have zoning ideas in mind, and have more of a dialogue. By going in this approach we are able to take action now to ensure affordable, sustainable and inclusive development.

Councilman Hess confirmed that Appendix 7-F shows the parcels in the excluded areas. He said that after hearing from the neighborhoods it's possible that staff can then work on a more complete overlay.

Councilwoman Ullman moved to approve the resident-led proposed wording amendments to Chapter 7 of the Asheville Code of Ordinances, with the addition of Appendix 7-F-Other Parcels (outlined in Map 3 referenced) and applicability of the new regulations only to the parcels not listed within the new Appendix, and find that the proposed amendments are reasonable, in the public interest, and consistent with the Comprehensive Plan in that the request: 1) provides infill development in targeted growth areas; 2) increases the supply of affordable housing in proximity to schools and transit; and, 3) promotes the development and availability of affordable and workforce housing. This motion was seconded by Councilwoman Turner and carried on a 4-3 vote, with Vice-Mayor Mosley, Councilwoman Roney and Councilwoman Smith voting “no.”

In response to Councilwoman Roney, Mr. Collins said that you will only see the impact of these cottage developments in RS-8 zoning, as they are not applicable in RS-2 zoning.

ORDINANCE NO. 5125 - ORDINANCE BOOK NO. 36 – PAGE 116

ORDINANCE NO. 5126 - PUBLIC HEARING TO AMEND THE UNIFIED DEVELOPMENT ORDINANCE TO CHANGE THE DEVELOPMENT REGULATIONS RELATED TO FLAG LOT DEVELOPMENTS

This is the consideration of a resident-led text amendment to the Unified Development Ordinance to change the development regulations related to flag lot standards. This public hearing was advertised on October 13 and 20, 2023. On October 24, 2023, this public hearing was continued to January 23, 2024. On January 23, 2024, this public hearing was continued to February 13, 2024. On February 13, 2024, this public hearing was continued to April 23, 2024. On April 23, 2024, at the request of the applicant that the public hearing be continued, City Council continued the hearing to September 10, 2024 -On September 10, 2024, the public hearing was continued to February 11, 2025. On February 11, 2025, the public hearing was continued to this date.

For information purposes only, the following staff report regarding flag lot standards was provided to City Council and the public:

“Action Requested: Consideration of a resident-led zoning text amendment/petition to revise Section 7-11-2(j) of the UDO in order to update regulations for flag lots.

Background:

Proposal Background-

- Mr. Barry Bialik, resident, originally submitted a petition for City Council to consider changes to this ordinance in 2023.
- City Council originally raised concerns about the timing of this proposal because the findings and recommendations from the Missing Middle Housing Report (MMHR) had yet to be finalized and lack of community input.
- The Missing Middle Report was published in spring of 2024; staff analyzed the resident-led proposal, performed community engagement, and prepared a staff-supported alternative proposal for Council review.
- The petitioner submitted an amendment to the proposal on April 4, 2024, after it had been reviewed by the Planning and Zoning Commission.
- The proposal that is being presented to Council today has not been re-reviewed by any board, commission or committee, and includes some recommended changes from what was reviewed by the PZC, as shown below.
- The resident-led and staff-supported proposals were placed on Council’s April 23, 2024 meeting for consideration. Based on public comment in advance of the meeting, the items were continued until September 10, 2024. On September 10, 2024, the City Council public hearing was held and then Council agreed to postpone a vote until February 11, 2025.
- Staff withdrew the staff-supported proposal from Council’s agenda based on Council direction to prepare for adoption of one or more regulations or programs to support an anti-displacement strategy for Legacy Neighborhoods or other areas with populations vulnerable to displacement.
- Staff presented an overall anti-displacement strategy and timeline for Council policy consideration at the Council work session on September 24, 2024 and had proposed to be able to present a mix of specific anti-displacement and housing updates in January though Tropical Storm Helene impacted the work plan by prioritizing staff to support recovery efforts.

- In late September, PUD was directed to focus housing measures on commercial corridors before embarking on residential area rezoning efforts.

Technical Review

- Flag Lots allow a substandard subdivision of land in order to facilitate development for abnormally shaped property and/or to overcome difficult site constraints.
- This petition seeks to relax flag lot standards for the purposes of promoting more residential development in the City of Asheville.
- In general, staff believe this to be an ineffective tool for increasing housing supply because it incentivizes single-family homes and tends to create disorganized development patterns.
- The UDO currently requires all flag lots that are created to meet the following standards:
 - The minimum width of the flag lot at the street shall not be less than 20 feet.
 - The minimum width of the flagpole portion of the lot shall be 20 feet.
 - That the flagpole portion of the lot shall not be counted when calculating minimum lot area, width and depth, and off-street parking requirements.
 - That a gravity sewer service line be installed where public sewer is available.
 - Limits applicant to the creation of one flag lot per subdivision of eight lots or less; and/or no more than 2 flag lots or 10 percent of the total lots in a subdivision for subdivisions of more than eight lots.
 - Additionally, the Subdivision section of the ordinance (Section 7-15-1(i)1(c)) discourages the creation of irregular lots.
 - The proposed text amendment has been reviewed against the recently-passed state legislation (SB 382) that limits municipal downzoning action. This review found no conflict with the legislative regulation.
- The amended resident-led petition proposes the following changes to the City's ordinance:
 - Reduction of both the width at the street and the width of the flag pole portion of the lot from 20 to 10 feet unless the driveway is not shared with the parent parcel, in which case the required width will be 16 feet.
 - Inclusion of the flagpole area of the lot as calculated lot area for determining compliance with UDO requirements for lot size, lot width, parking and other elements.
 - Elimination of the UDO requirement for installation of a gravity sewer service line.
 - Expansion of the limit to the number of flag lots that can be created in a subdivision from 10 percent to 25 percent.
 - Inclusion of a provision for a three-foot setback requirement for the parent parcel along the flagpole.
 - The most recent changes to the resident proposal have addressed staff's technical concerns with the amendment.

Proposed Changes Since Approval by the Planning & Zoning Commission

Clause	Existing Regulation	As Approved by the PZC	Current Proposal
Minimum flagpole width	20 feet	Five feet	16 feet unless part of a shared driveway, then 10 feet
Flag lots allowed in a subdivision	10 percent of lots	Unlimited	25 percent of lots

Parent parcel side setback along flagpole	Minimum lot standard (typically 6 feet)	Minimum lot standard (typically 6 feet)	Three feet
Structure Size	NA	NA	1,000 SF footprint, 1,400 SF total area (The proposal to limit the size of the flag lot structure would conflict with recent legislative changes in regard to SB 382 and so has been removed from this proposed ordinance update.)
Front Setback	Minimum lot standard (typically 15 feet)	As measured from the street	Six feet, unless a duplex is placed between lots, then zero

Comprehensive Plan Consistency:

- This proposal aligns with a number of themes within the *Living Asheville Comprehensive Plan* including ‘A Resilient Economy’. The following goals are applicable to this zoning amendment:
 - Increase and Diversify Housing Supply
 - Promote the Development and Availability of Affordable Housing and Workforce Housing
- This proposal does not align with the theme of ‘Interwoven Equity’ and some goals within “A Livable Built Environment”.
 - Improve Community Involvement in Decision Making
 - Prioritize Investments Equitably and Fairly Across Neighborhoods
 - Encourage Responsible Growth

Council Goal(s):

- It is the applicant’s intention that this proposal supports the following Council goals:
 - Quality Affordable Housing

Committee(s):

- Planning and Zoning Commission (PZC), 08-2-2023, Approved with Conditions by 3-1 vote
- Technical Review Committee (TRC), 08-21-2023 and 09-18-2023 - TRC reviewed the original resident-led proposal at the request of PZC.
 - They noted two concerns:
 - 1. a reduced flag pole does not allow for proper utility installation or grading for stormwater, and
 - 2. possible negative impacts to neighborhood livability.
 - After considering the proposed text amendment at two meetings, the Technical Review Committee did not approve the text amendment as initially proposed (i.e. 5 foot flagpole). However they approved a staff alternate proposal with conditions by 4-1 vote.

- While the staff alternate is more closely aligned with the amended proposal Council is considering today, there are still differences.
- Neighborhood Advisory Committee, 10-23-2023, Heard report
- Planning and Economic Development Committee, 01-08-2024, Scheduled as Informational Only
- Urban Forestry Commission, 4-10-2024, Support staff alternate ordinance.

Pro(s):

- May increase the land available for the creation of new residential lots, which may lead to more housing units.
- Flag lots are currently permitted, so the relative benefit of these proposed changes are uncertain.

Con(s):

- The promotion of more flag lots goes against the recommendations of the Missing Middle Housing Study by incentivizing more single-family development that tends to be more expensive housing.
- The proposed changes may establish nonconforming parent parcels by allowing setbacks and lot widths below the minimum zoning district standards.
- This proposal would impact all properties in any residential zoning district.

Fiscal Impact:

- This action requires no City resources and has no fiscal impact.

Staff Recommendation:

- Staff recommends denial of the resident-led proposed zoning text amendment to revise Sections 7-11-2(j) of the UDO primarily for procedural reasons.

Suggested Motion:

- Motion to deny the resident-led proposed wording amendments to Chapter 7 of the Asheville Code of Ordinances and find that the proposed amendments are not reasonable, are not in the public interest, and not wholly consistent with the Comprehensive Plan.

Alternate Motion if Approved:

- Motion to approve the resident-led proposed wording amendments to Chapter 7 of the Asheville Code of Ordinances and find that the proposed amendments are reasonable, in the public interest, and consistent with the Comprehensive Plan.”

City Attorney Branham reiterated that the motion in front of Council now is the previous motion to deny the UDO amendment regarding flag lot standards. The motion was made by Councilwoman Roney at the February 11, 2025, meeting to deny the UDO amendment regarding flag lot standards and that we now need a second to continue with that motion. Vice-Mayor Mosley seconded the motion and the motion failed on a 3-4 vote, with Councilman Hess, Mayor Manheimer, Councilwoman Turner and Councilwoman Ullman voting “no.”

Councilwoman Ullman moved to approve the resident-led proposed wording amendments to Chapter 7 of the Asheville Code of Ordinances, with the addition of Appendix 7-F-Other Parcels (outlined in Map 3 referenced) and applicability of the new regulations only to the parcels not listed within the new Appendix, and find that the proposed amendments are reasonable, in the public interest, and consistent with the Comprehensive Plan in that the request: 1) provides infill development in targeted growth areas; 2) increases the supply of affordable housing in proximity to schools and transit; and, 3) promotes the development and availability of affordable and workforce housing. This motion was seconded by Councilwoman

Turner and carried on a 4-3 vote, with Vice-Mayor Mosley, Councilwoman Roney and Councilwoman Smith voting “no.”

In response to Councilwoman Roney, Mr. Collins said that these type uses will be found in RS-2 zoning

ORDINANCE NO. 5126 - ORDINANCE BOOK NO. 36 – PAGE 121

C. PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE UNIFIED DEVELOPMENT ORDINANCE (1) TO INCREASE THE THRESHOLD FOR LEVEL III SITE PLAN REVIEW, ADJUSTING CORRESPONDING REVIEW THRESHOLDS AND PROVIDING INCENTIVES FOR THE INCLUSION OF AFFORDABLE HOUSING ALONG TRANSIT SUPPORTIVE CORRIDORS AND WITHIN MIXED-USE DISTRICTS; (2) TO ELIMINATE THE REQUIREMENT TO PROVIDE A MINIMUM NUMBER OF PARKING SPACES FOR RESIDENTIAL DEVELOPMENT PROJECTS ALONG TRANSIT SUPPORTIVE CORRIDORS AND WITHIN MIXED-USE ZONING DISTRICTS; AND (3) TO UPDATE THE UDO’S DEFINITIONS AND CERTAIN COMMERCIAL ZONING DISTRICTS TO REMOVE REGULATORY BARRIERS AND ENCOURAGE THE DEVELOPMENT OF HOUSING ALONG TRANSIT SUPPORTIVE CORRIDORS

Mayor Manheimer said that the three public hearings would be combined into one; however, an individual vote on each amendment would take place.

Assistant Planning & Urban Design Director Chris Collins said that this is the consideration of ordinances to amend the Unified Development Ordinance (1) To increase the threshold for Level III site plan review, adjusting corresponding review thresholds and providing incentives for the inclusion of affordable housing along transit supportive corridors and within mixed-use districts; (2) To eliminate the requirement to provide a minimum number of parking spaces for residential development projects along transit supportive corridors and within mixed-use zoning districts; and (3) To update the UDO’s definitions and certain commercial zoning districts to remove regulatory barriers and encourage the development of housing along transit supportive corridors. These public hearings were advertised on January 31 and February 7, 2025. On February 11, 2025, these three public hearings were continued to this date.

Mr. Collins said that this presentation is for the three combined UDO amendments which will impact commercial property along transit-supportive corridors by: (1) Increasing development thresholds, reducing minimum parking requirements; and removing building size & density limits to support housing; (2) There has been a demonstrated need for additional housing that is attainable and affordable in the City of Asheville; and (3) These amendments would reduce regulatory barriers for housing and provide incentives for the development of affordable housing units.

Using maps, he showed the City applicable areas of the three proposed zoning amendments as follows: (1) development review level thresholds; (2) minimum parking requirements; and (3) zoning district specific standards.

Regarding the development review level thresholds, he explained the key aspects of the amendment being (1) Measure residential projects, except single-family detached homes, in gross square footage instead of by dwelling unit count; (2) Raise threshold for Level III Conditional Zoning Projects to: (a) 100,000 square feet for all residential projects; and (b) Further for projects based on affordable housing incentives; and (3) Raise or eliminate specific triggers

for Level I site plan review, site design compliance standards, and construction of new sidewalks for the occupation of existing structures. Using the chart below, he explained the Level III thresholds for residential properties in commercial and mixed-use districts:

	<u>Affordability</u>	<u>Level III Threshold Non-Mixed Use</u>	<u>Level III Threshold Mixed Use</u>
Baseline	0% affordable units	> 100,000 sq. ft.	> 150,000 sq. ft.
Tier 1	5% at 80% AMI or; 2% at 60% AMI	> 150,000 sq. ft.	> 200,000 sq. ft.
Tier 2	10% at 80%AMI or; 5% at 60% AMI	> 200,000 sq. ft.	> 250,000 sq. ft.
Tier 3	15% at 80%AMI or; 7% at 60% AMI.	> 250,000 sq. ft.	> 300,000 sq. ft.
Tier 4	20% at 80%AMI or; 10% at 60% AMI.	>300,000 sq. ft.	>350,000 sq. ft.

*Duration of affordability for all tiers: 20 years.

He showed a pie chart of the impact on previous applications since 2021, along with several examples.

Mr. Collins then outlined the key aspects of the minimum parking requirements amendment as follows: 1) Eliminate mandatory parking minimums for most developments in select districts; (2) Increase bicycle parking to: “1 bicycle parking space or 10% of the total number of dwelling units, whichever is greater. The bicycle parking requirement shall be 10% of the maximum parking spaces if it is any other development”; and (3) Eliminate the ability to exceed the parking maximums without appearing before the Board of Adjustment or seek a technical modification in a conditional zoning. He said there are examples from NC and Nationally show the majority of developers continuing to provide parking. He said that currently, residential projects within 1 mile of downtown do not have minimum parking requirements. He then showed a table which details their voluntary parking provided over the last 10 years.

Mr. Collins then outlined the key aspects of the district specific standards amendment as follows: (1) Updates focus on potential to increase housing in certain commercial districts that restrict how large a building can be; (2) increase how large a building can be when residential uses are included; (3) does not change building height restrictions, requirements for building setbacks from property lines, or property line landscape buffer requirements; and (4) removes specific density limits in order to allow the size of residential buildings to be controlled by building size limits rather than number of units. Regarding the structure size standards, the proposal reduces building size limits for projects that include housing in commercial areas. He then showed a chart of an example in the Office II District. He showed a picture visualizing what this change might look like on Merrimon Avenue in Commercial Business I District zoning.

Councilwoman Roney understood that by skipping Council review and reducing parking standards, these are meant to be cost savings for developers. She understands from fellow

Council officials from across the state, like in Durham, that they are upzoning the entire city and county with the floors of affordability at be 10% of the units at 60% of the AMI. When she asked if there has been any conversation about making our goals match across our other housing incentive plans and documents, Mr. Collins said they based this on their extensive feedback from housing developers with the goal being to gain affordable units.

Mayor Manheimer opened the combined public hearing at 6:04 p.m.

Fourteen individuals spoke in support of the three UDO amendments, with one individual who was not supportive of the Level III thresholds.

Mayor Manheimer closed the combined public hearing at 6:41 p.m.

ORDINANCE NO. 5127 - ORDINANCE TO INCREASE THE THRESHOLD FOR LEVEL III SITE PLAN REVIEW, ADJUSTING CORRESPONDING REVIEW THRESHOLDS AND PROVIDING INCENTIVES FOR THE INCLUSION OF AFFORDABLE HOUSING ALONG TRANSIT SUPPORTIVE CORRIDORS AND WITHIN MIXED-USE DISTRICTS

Action Requested: Adoption of an ordinance to amend the Unified Development Ordinance (UDO), Chapter 7 of the Asheville Code of Ordinances, to revise thresholds for project levels and related items.

Background:

- The Unified Development Ordinance (UDO) defines thresholds for different levels of projects with corresponding levels of scrutiny and review (UDO Sec. 7-5-9):
 - Level I projects are administered by staff.
 - Level II projects are administered by staff and require Technical Review Committee review with pre-application requirements such as a neighborhood meeting.
 - Level III projects require a conditional zoning to an expansion district with review by the Technical Review Committee (TRC) and Planning & Zoning Commission (PZC), with final decision made by City Council.
- Level III projects requiring a conditional zoning typically take significantly longer for entitlement and conceptual approval than other project levels and also provide uncertainty for developers.
- Other sections of the UDO require properties to make improvements to come into “full site compliance” for various development activities (UDO Sec. 7-11-1), as well as specifically for the construction of new sidewalks (UDO Sec. 7-11-8).
- The Planning & Zoning Commission drafted and proposed an amendment to section 7-5-9 of the UDO to change the thresholds for Level I, II and III projects.
- The most significant change proposed is to measure non-single family residential projects in gross square footage instead of by dwelling unit count. By setting a new baseline for Level III projects at 100,000 sq. ft. for all project types, instead of 50 residential units, this effectively raises the threshold for residential projects which would otherwise require a conditional zoning.
- The Planning & Zoning Commission recommended approval of this UDO zoning text amendment at its April 6, 2024 meeting and a further refined version at its June 6, 2024 meeting.
- Planning and Urban Design, in working with the Planning & Zoning Commission, has refined the proposed amendments in a more consistent and cohesive manner, while also furthering the goals of the PZC's initial amendment of removing barriers to development by eliminating or reducing triggers for full site compliance and sidewalk construction as specified in UDO Sec. 7-11-1 and 7-11-8.

- Further revisions of the project level thresholds focus on raising development thresholds for Level III projects only for parcels located in commercial corridors and mixed-use districts, as well as incentivizing affordable housing by further increasing the Level III and conditional zoning threshold, as proposed below.
- The proposed text amendment has been reviewed against the recently-passed state legislation (SB 382) that limits municipal downzoning action. This review found no conflict with this legislative regulation.
- Commercial corridors and mixed-use districts consist of the following zoning districts: Neighborhood Business (NCD), Office (OFF I), Office II (OFF II), Office/Business (OB), Community Business I (CBI), Community Business II (CBII), Highway Business (HB), Regional Business (RB), Neighborhood Corridor (NCD), Institutional (INST), Haywood Road (HR), RAD Residential (RAD-RES), RAD Lyman Hollow (RAD-LYH), RAD Neighborhood Transition (RAD-NT), RAD Shopfront (RAD-SHP), RAD Industrial (RAD-IND), Resort (RSRT), and Central Business District (CBD).

Baseline: 100,000 sq. ft. for Level III for non-mixed use projects with no affordability

- Tier 1: 5% at 80% AMI OR 2% at 60% AMI for 20 years = 150,000 sq. ft.
- Tier 2: 10% at 80% AMI OR 5% at 60% AMI for 20 years = 200,000 sq. ft.
- Tier 3: 15% at 80% AMI OR 7% at 60% AMI for 20 years = 250,000 sq. ft.
- Tier 4: 20% at 80% AMI or 10% at 60% for 20 years = 300,000 sq. ft.

Baseline: 150,000 sq. ft. for Level III for mixed-use (30-80% residential) with no affordability

- Tier 1: 5% at 80% AMI OR 2% at 60% AMI for 20 years = 200,000 sq. ft.
- Tier 2: 10% at 80% AMI OR 5% at 60% AMI for 20 years = 250,000 sq. ft.
- Tier 3: 15% at 80% AMI OR 7% at 60% AMI for 20 years = 300,000 sq. ft.
- Tier 4: 20% at 80% AMI or 10% at 60% for 20 years = 350,000 sq. ft.

Comprehensive Plan Consistency:

- This proposal supports a number of goals in the *Living Asheville Comprehensive Plan*, including:
 - **Encourage Responsible Growth** - by simplifying the Unified Development Ordinance, and allowing for a broader range of allowable densities and compatible housing options.
 - **Increase and Diversify the Housing Supply** - by reducing administrative barriers to housing development and diversification.
 - **Celebrate the Unique Identity of Neighborhoods Through Creative Placemaking** - by encouraging expedited development review for projects that incorporate affordable housing.

Council Goal(s):

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

Committees:

- Planning & Zoning Commission - April 6, 2024: Approved initial conceptual proposal (Vote 6:0)
- Planning & Zoning Commission - June 6, 2024: Approved refined proposal (Vote 6:0)
- Planning & Zoning Commission - January 22, 2025: Approved final proposal (Vote 5:0) with the following conditions: 1) That the "Change of Use" trigger for Level I Site Plan Review be removed, 2) That clarifying language be added to UDO Sec. 7-5-9 to reference the Table of Uses for what uses are allowed in each zoning district, that 3) That

public notification requirements for Level II projects outside the CBD be modified as appropriate.

Pros:

- Creates a higher allowance for entitled residential development which would reduce review time and uncertainty for projects that otherwise would have required a conditional zoning.
- May promote the development of more dwelling units.
- May incentivize smaller (thus more attainable) dwelling units by switching from a unit count threshold to a gross floor area threshold.
- Incentivizes the inclusion of affordable housing in corridors and mixed-use areas.

Cons:

- Many zoning districts within the City promote a pattern of development that does not promote the goals of the Comprehensive Plan. Enabling larger and more by-right developments without adjusting zoning district requirements may lead to larger-scale development that does not promote the goals of the Plan. This concern could be mitigated by appropriate updates to the UDO and other controlling plans and standards.

Fiscal Impact:

- N/A

Staff Recommendation:

- Staff recommends approval of this zoning text amendment request based on the reasons stated above.

Councilwoman Roney said that it's interesting that Nashville, Tennessee, was named in public comment, because she has spoken with councilors there who now speak with regret to who was displaced and the sprawl that unaffordable, trickle-down housing strategy caused. She said that she doesn't get to give a grade like she would for her students, being limited to options of yes and no. The way she sees it, the threshold decisions are simply out of sequence. Transit oriented development is widely considered a best practice as housing close to transit means being able to get to work, school, the grocery store without requiring access to or the expense of a car. She wants to support this but there are a couple missing steps that need to happen before we give up the existing Council negotiation tools, especially as zoning has a history of causing harm in our community and we have an opportunity to use it to help and heal. She thinks an appropriate sequence means we should: 1) approve the affordable housing plan; 2) approve the missing middle housing study and displacement risk assessment; 3) bring forward a benefits table at least as good as the one we use to incentivize building hotels; and 4) implement tools to protect our neighborhoods vulnerable to displacement; then bring this back in the right order to expedite the transit-oriented development our community is capable of. The risk of passing this in the shadow of SB 382 means we don't get to go back later and fix it or add public benefits like renewable energy readiness and multimodal infrastructure. Also, at the current levels of affordability, we are knowingly leaving behind voucher holding, elder, disabled, working-class neighbors. The author of Homelessness is a Housing Problem noted when he presented in Asheville that if communities don't build housing for incumbent residents, you'll build housing and still have a housing problem. We can get back on track with a sequence that uses zoning to help and heal instead of harm if it's a priority.

Councilwoman Turner offered the following revised threshold chart:

Affordability term - 20 years	Level III Threshold Non Mixed Use	Level III Threshold Mixed Use
-------------------------------	--------------------------------------	----------------------------------

Tier 1	5% at 80%AMI or; 3% at 60%AMI >	100,000 sq ft.	>150,000 sq ft
Tier 2	10% at 80AMI or; 5% at 60%AMI >	150,000 sq ft	>200,000 sq ft
Tier 3	15% at 80%AMI or; 8% at 60%AMI>	200,000 sq ft	>250,000sq ft
No further tiers			

Councilman Hess felt we are making it too hard for people to live in our City and supported Councilwoman Turner’s revised threshold chart.

In response to Councilwoman Roney, City Attorney Branham explained how the recent Senate Bill 382 possibly relates to these UDO amendments if passed.

Councilwoman Turner felt that this revised table may not work in the River Arts District and felt that we might want to revisit this once the new flood maps are available for the River Arts District.

Councilwoman Turner moved to approve the proposed wording amendments to Chapter 7 of the Asheville Code of Ordinances, with the following adjustments: (1) Baseline Tier of the affordability and development thresholds shall be removed; (2) Tier 4 of the affordability and development thresholds table shall be removed; (3) Tier 1 affordability levels shall be changed to 5% at 80% AMI or 3% at 60% AMI; (4) Tier 3 affordability levels shall be changed to 15% at 80% AMI or 8% at 60% AMI; and (5) The Level III Thresholds for review shall be as follows: Tier 1 - Non Mixed Use: above 100,000 sq. ft.; Mixed Use: above 150,000 sq. ft.; Tier 2 - Non Mixed Use: above 150,000 sq. ft.; Mixed Use: above 200,000 sq. ft.; and Tier 3 - Non Mixed Use: above 200,000 sq. ft.; Mixed Use: above 250,000 sq. ft.; and find that the proposed amendments are reasonable, are in the public interest, are consistent with the City's comprehensive plan and meet the development needs of the community in that the amendments will: 1) simplify the Unified Development Ordinance, and allow for a broader range of allowable densities and compatible housing options; 2) reduce administrative barriers to housing development and diversification; and, 3) encourage expedited development review for projects that incorporate affordable housing. This motion was seconded by Councilman Hess and carried on a 4-3 vote, with Vice-Mayor Mosley, Councilwoman Roney and Councilwoman Smith voting “no.”

ORDINANCE NO. 5127 - ORDINANCE BOOK NO. 36 - PAGE 124

ORDINANCE NO. 5128- ORDINANCE TO AMEND THE UNIFIED DEVELOPMENT ORDINANCE TO ELIMINATE THE REQUIREMENT TO PROVIDE A MINIMUM NUMBER OF PARKING SPACES FOR RESIDENTIAL DEVELOPMENT PROJECTS ALONG TRANSIT SUPPORTIVE CORRIDORS AND WITHIN MIXED-USE ZONING DISTRICTS

Action Requested: Adoption of a zoning text amendment to update the standards for vehicular and bicycle parking in Chapter 7 of the Unified Development Ordinance.

Background:

- The UDO requires minimum off-street parking spaces for residential uses based on the type of residential use and the number of bedrooms for multi-family uses
- UDO Sec. 7-11-2(c)(1) eliminates off-street parking requirements for residential developments in transit corridors, mixed-use districts, and form-based zoning districts.
- The *Living Asheville* Comprehensive Plan defines the preferred growth area as within ½-mile of transit-supportive centers and ¼-mile along transit routes.
- The Planning & Zoning Commission drafted and proposed an amendment to this section of the UDO (Sec. 7-11-2. Parking, loading and access standards) previously. This new Zoning Text Amendment will address many of the concerns the Commission raised in that iteration.

- Housing developers attended a focus group held on September 16, 2024, during which the attendees expressed unanimous support for the proposed amendment stating that it would provide a great deal of flexibility. The majority of the attendees expressed that they would likely still provide parking at a level determined appropriate by their own project planning efforts.
- The American Institute for Economic Research notes that the cost of one parking space can range from about \$9,000 to about \$80,000, depending on whether it's at ground level, above, or below. These costs are often passed to residential tenants in the form of higher rents.
- The proposed amendment will remove all minimum off-street parking requirements for residential developments in the following districts: HB–Highway Business, RB–Regional Business, CBD–Central Business District, CBI–Community Business I, CB II–Community Business II OB–Office Business, OI–Office I, OII–Office II, NCD–Neighborhood Corridor District, NB–Neighborhood Business, RIV–River, HR–Haywood Road, and River Arts Form districts. Unless otherwise stated, bicycle parking will be calculated as a percentage of residential units in a development.
- The ability to exceed maximum parking limits will be eliminated under this Zoning Text Amendment. Any project seeking to exceed its maximum parking limits would need to either seek a variance or apply for a conditional rezoning.
- The Planning & Zoning Commission recommended approval of a similar UDO zoning text amendment at its April 6, 2024 meeting, and recommended approval of this amendment at the January 22, 2025 meeting.
- The proposed text amendment has been reviewed against the recently-passed state legislation (SB 382) that limits municipal downzoning action. This review found no conflict with this legislative regulation.

Comprehensive Plan Consistency:

- This proposal aligns with a number of themes within the *Living Asheville Comprehensive Plan* including 'A Livable Built Environment' and 'A Healthy Community'. The following goals are applicable to this zoning amendment:
 - Goal #1: Encourage Responsible Growth (p. 130)
 - Goal #4: Enhance Parking Management Strategies (p. 142)
 - Goal #28: Create a sustainable path to balanced budgets (p. 240)
 - Goal #29: Enhance Safety of Public Realm (p. 244)

Council Goal(s):

- *A Livable Built Environment*
- *A Healthy Community.*
- *Neighborhood Resilience*

Committee(s):

- Planning & Zoning Commission (PZC) - April 3, 2024 - Approved initial proposal (Vote 6:0)
 - Expand the elimination of off-street parking requirements for residential developments by including:
 - Areas within ¼ mile of transit-supportive corridors
 - Areas within ½ mile of transit stops
- Multi-Modal Transportation Commission (MMTC) - May 22, 2024 - Support
 - The commission reviewed and was supportive of the proposed zoning text amendment and provided the additional recommendation that minimum parking requirements be eliminated for residential uses city-wide.

- Planning & Zoning Commission (PZC) - June 6, 2024 - Approved with conditions (Vote 6:0)
- Planning & Zoning Commission (PZC) - January 22, 2025 - Approved with conditions (Vote 5:0)
 - The commission's condition was to strongly urge council to revisit the elimination of residential parking within the next six months.

Pros:

- Supports the goals of the comprehensive plan aimed at *A Livable Built Environment* and *A Healthy Community*.
- Supports the Council's goal of *Neighborhood Resilience*.
- Developers' time and resource savings could be passed on to buyers, resulting in a decrease in housing/construction costs.
- This text amendment can potentially reduce urban heat island effects by reducing the requirements for parking and, therefore, the amount of asphalt in developments.

Cons:

- The elimination of off-street parking requirements for residential and commercial developments does not guarantee that developers will completely remove parking from all development submittals.
- There is the potential for more demand for on-street parking which could exacerbate a limited supply in some areas of the city.

Fiscal Impact:

- N/A

Staff Recommendation:

- Staff recommends approval of the proposed zoning text amendment to update the UDO standards for Parking Standards in Chapter 7 of the UDO because this is consistent with the *Living Asheville* comprehensive plan in that it directly furthers several goals of the plan while promoting specific Council goals as well.

Councilwoman Turner moved to approve the amendments to Chapter 7 of the Asheville Code of Ordinances and find that the proposed amendments are reasonable, are in the public interest, are consistent with the City's comprehensive plan, and meet the development needs of the community in that the amendment will 1) help promote equity within the pre-application process of land development; 2) increase opportunities for constructive dialogue between residents and land developers; and 3) create a clear and well-documented process. This motion was seconded by Councilwoman Smith and carried unanimously.

ORDINANCE NO. 5128 - ORDINANCE BOOK NO. 36 - PAGE 150

ORDINANCE NO. 5129- ORDINANCE TO AMEND THE UNIFIED DEVELOPMENT ORDINANCE TO UPDATE THE UDO'S DEFINITIONS AND CERTAIN COMMERCIAL ZONING DISTRICTS TO REMOVE REGULATORY BARRIERS AND ENCOURAGE THE DEVELOPMENT OF HOUSING ALONG TRANSIT SUPPORTIVE CORRIDORS

Action Requested: Adoption of an ordinance to amend the Unified Development Ordinance (UDO), Chapter 7 of the Asheville Code of Ordinances, to update certain commercial zoning districts to remove regulatory barriers and encourage the development of housing along commercial corridors.

Background:

- The UDO currently allows housing in commercial zoning districts but includes certain form and density limitations which have been identified as barriers to the development of more housing.
- Housing developers attended a focus group held on September 16, 2024, during which the attendees expressed support for regulatory changes to simplify the development code and to remove barriers that limit housing development.
- Staff proposes to update UDO sections 7-8-8. Neighborhood Business District, 7-8-9. Office District, 7-8-10. Office II District, 7-8-11. Office/Business District, 7-8-12. Community Business I District, 7-8-13, Community Business II District, 7-8-16. Highway Business District, 7-8-17. Regional Business District, 7-8-19. Neighborhood Corridor District, and 7-8-41. Commercial Expansion District.
- The proposed text amendment has been reviewed against the recently-passed state legislation (SB 382) that limits municipal downzoning action. This review found no conflict with this legislative regulation.
- Key changes:
 - Removal of residential density caps to provide greater flexibility,
 - Expansion of gross floor area limits for residential uses,
 - Reiteration of the exemption to off-street parking minimums for residential (see the related UDO amendment changes minimum off-street parking standards), and
 - Clean ups and removal of extraneous zoning code to simplify the document for all users
- The housing-related potential of these updates is summarized in the chart below:

Zoning District	Current Building Size Standards		Proposed			
	First Floor (All Uses)	Total SF Permitted	Max Residential Area	Total SF Potential with Residential	Increase in Permitted SF by Right w/Res	Increase in Permitted SF by Right w/Res as %
Neighborhood Business	3,000 SF	6,000 SF	NA	12,000 SF	6,000 SF	100%
Office	4,000 SF	8,000 SF	NA	16,000 SF	8,000 SF	100%
Office II	8,000 SF	16,000 SF	NA	32,000 SF	16,000 SF	100%
Office/Business	30,000 SF	30,000 SF	NA	180,000 SF	150,000 SF	500%
Community Biz I	6,000 SF	12,000 SF	NA	24,000 SF	12,000 SF	100%
Community Biz II	45,000 SF	45,000 SF	NA	180,000 SF	135,000 SF	300%
Highway Business	100,000 SF	100,000 SF	NA	600,000 SF	500,000 SF	500%
Regional Business	NA	NA	NA	NA	NA	NA
Neighborhood Corridor	12,000 SF	24,000 SF	NA	48,000 SF	24,000 SF	100%
Commercial Expansion	NA	NA	NA	NA	NA	NA

Comprehensive Plan Consistency:

- This proposal aligns with a number of themes within the *Living Asheville Comprehensive Plan* including ‘A Livable Built Environment’ and ‘A Healthy Community’. The following goals are applicable to this zoning amendment:
 - Goal #1: Encourage Responsible Growth
 - Goal #2: Increase Mixed-Use Development along Transit Corridors

Council Goal(s):

- This project is most closely aligned with the following City Council goals:
 - *A Livable Built Environment*, and
 - *A Healthy Community*

Pros:

- Supports the goals of the comprehensive plan and the City Council (both listed above)
- Provides minor zoning updates that add significant housing upside potential on commercial corridors
- Simplification and clarification of zoning code to support ease of use for all users

Cons:

- None.

Fiscal Impact:

- N/A

Staff Recommendation:

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

Councilwoman Turner moved to approve the amendments to Chapter 7 of the Asheville Code of Ordinances and find that the proposed amendments are reasonable, are in the public interest, are consistent with the City's comprehensive plan, and meet the development needs of the community in that the amendment will 1) provide added flexibility to encourage housing along commercial corridors, and 2) will simplify and improve the consistency of the zoning code to support all users. This motion was seconded by Councilwoman Ullman and carried on a 4-3 vote, with Vice-Mayor Mosley, Councilwoman Roney and Councilwoman Smith voting “no.”

ORDINANCE NO. 5129 - ORDINANCE BOOK NO. 36 - PAGE 169

VI. NEW BUSINESS:

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Eleven individuals spoke to City Council about various matters, some being, but are not limited to: urge City Council to use the \$225M of CDBG-DR funding to do more for residents; request for City water/sewer to some residents without in the Shiloh area; request for a comprehensive waterline upgrade; concern of process N.C. Dept. of Transportation is using for notifying affected residents of changes in the I-26 Connector Project; immigration concerns; and need more support and listening to our legacy neighborhoods.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 7:39 p.m.

CITY CLERK

MAYOR