

Thursday – May 22, 2025 - 11:00 a.m.

Agenda Briefing Worksession - For May 27, 2025, Council 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

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:

- Budget Briefing

At 11:31 a.m., Mayor Manheimer adjourned the agenda briefing worksession.

Tuesday – May 27, 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 MAY, 2025, AS “FOOD WASTE REDUCTION MONTH”

Councilwoman Ullman read the proclamation proclaiming May, 2025, as "Food Waste Reduction Month " in the City of Asheville. She presented the proclamation to the City's Food Waste Reduction Program Manager Ashley Lavender, and Rechelle Ray, on behalf of Food Waste Solutions WNC, who briefed City Council on some activities taking place during the month.

B. PROCLAMATION PROCLAIMING MAY 30, 2025, AS “WNC NATURE CENTER DAY”

Mayor Manheimer read the proclamation proclaiming May 30, 2025, as "WNC Nature Center Day " in the City of Asheville. She presented the proclamation to Nature Center Director Chris Gentile; Kate Frost, Friends of the WNC Nature Center Executive Director; and Ellen Patrick, Friends of the WNC Nature Center Incoming Board Chair; who briefed City Council on some activities taking place during the day.

C. PROCLAMATION PROCLAIMING JUNE, 2025, AS “13TH ANNUAL POLLINATION CELEBRATION MONTH”

Councilwoman Roney read the proclamation proclaiming June, 2025, as the "13th Annual Pollination Celebration Month" in the City of Asheville. She presented the proclamation to

Virginia Currie, a member of Bee City USA-Asheville Leadership Committee, 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 MAY 8, 2025, AND THE FORMAL MEETING HELD ON MAY 13, 2025**
- B. RESOLUTION NO. 25-108 - RESOLUTION RATIFYING AN EMERGENCY CONTRACT WITH HERC RENTALS INC. FOR THE MILLS RIVER WATER TREATMENT PLANT EMERGENCY RESPONSE FOR TROPICAL STORM HELENE**

Action Requested: Adoption of a resolution ratifying a contract with Herc Rentals, 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 infatuated 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 Herc Rentals, Inc. to address the needs of the community when those needs exceeded the capacity of City staff.
- In one such instance, the City engaged Herc Rental, Inc. for the Mills River Water Treatment Plant to aid in the Hurricane Helene Emergency Response to provide (3) raw water pumps, flexible water transmission hose, and water intake 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 Herc Rentals, 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 \$300,000.

- The contract is expected to be fully reimbursed with FEMA Public Assistance funding.

Motion:

- Motion to adopt a resolution to ratify the City's emergency contract with Herc Rentals, Inc., for the provision of three 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 414

C. ORDINANCE NO. 5136 - TECHNICAL BUDGET AMENDMENT TO THE FISCAL YEAR 2024-25 GENERAL FUND BUDGET TO ACCOUNT FOR THE REFUNDING OF DEBT

Action Requested: Adoption of a budget amendment to the Fiscal Year (FY) 2024-25 General Fund (2100 Fund) budget in the amount of \$42 million to account for the refunding of debt.

Background:

- As a part of the multi-year Capital Improvement Program (CIP), the City routinely enters into short-term draw programs with financial institutions through the issuance of interim Limited Obligation Bonds (LOBs).
- The short term draw programs provide cash to reimburse the City for capital expenses prior to the issuance of long term fixed rate financing.
- The City issued its most recent interim LOBs in June 2022 in an amount not to exceed \$42 million.
- As of August 2024, the City had fully utilized the \$42 million interim LOBs amount to reimburse itself for expenses associated with a number of capital projects including the Broadway Public Safety Station, the Dr. Wesley Grant Sr. Southside Community Center, City Hall elevator modernization, Muni Golf Course repairs, and the annual street resurfacing program.
- The City began the process of refunding this loan and issuing the 20-year, fixed-rate LOBs in the fall of 2024 but was delayed by Tropical Storm Helene.
- In April 2025, the City completed the issuance of the long-term LOBS .
- The funds generated from the issuance of the refunding were used to pay off the existing interim LOBs and the costs associated with the debt issuance, and thus do not represent additional money available for City use.
- Since long-term debt refundings are non-routine and difficult to accurately forecast ahead of time, the budget associated with these transactions was not included in the adopted annual budget.
- This technical amendment incorporates these appropriations into the budget in order to ensure that the General Fund does not exceed the approved annual budget in the City's annual financial reporting.

Council Goal:

- Financially Resilient City

Committee(s):

- None

Pro(s):

- Amends the Fiscal Year (FY) 2024-25 Capital 2100 Fund (General Fund) budget in order to ensure statutory budgetary compliance.

Con(s):

- None

Fiscal Impact:

- There is no net fiscal impact from this technical budget amendment.
- It will amend the FY 2024-25 budget to reflect the receipt of refunding proceeds from the bank and the subsequent payment to pay off the prior debt issuance.

Motion:

- Motion to approve a budget amendment to the Fiscal Year (FY) 2024-25 General Fund (2100 Fund) budget in the amount of \$42 million to account for the refunding of debt.

ORDINANCE BOOK NO. 36 - PAGE

D. RESOLUTION NO. 25-109 - RESOLUTION APPROVING THE DOCUMENTATION AND AUTHORIZING OFFICERS OF THE CITY TO PURSUE ON BEHALF OF THE CITY DEBT FINANCING ASSOCIATED WITH THE ISSUANCE OF UP TO \$35 MILLION 2025 LIMITED OBLIGATION BONDS FOR MCCORMICK FIELD IMPROVEMENTS

Action Requested: Adoption of the resolution approving the documentation and authorizing officers of the City to pursue on behalf of the City debt financing associated with the issuance of the up to \$35 million 2025 Limited Obligation Bonds (LOBs) for McCormick Field improvements.

Background:

- The City of Asheville has owned the property located at 30 Buchanan Place, known as Lewis McCormick Field, since 1984 and leases the property for operation as a minor league baseball (MLB) stadium.
- On March 14, 2023, City Council authorized the City Manager to sign a funding letter of commitment to MLB regarding the City's intent to bring McCormick Field into compliance with new facility standards.
- In June 2023, City Council adopted a Capital Improvement Program (CIP) budget that included \$37.5 million in funding for improvements at McCormick Field.
- The financial plan for funding this project included the issuance of Limited Obligation Bonds (LOBs) with debt service on the bonds to be funded by the City, Buncombe County, the Tourism Development Authority (TDA), and the Asheville Tourists minor league baseball team.
- In July 2024, City Council adopted a resolution authorizing the City Manager to enter into a contract amendment with Frank L. Blum Construction Company, in association with W.C. Construction Company for the construction of the McCormick Field improvements.
- In order to reimburse itself for expenses that have already occurred on the project in the current fiscal year and have in place the financing to cover expenses that will occur next fiscal year, the City intends to issue 20-year, fixed-rate taxable LOBs Bonds in June 2025.
- The issuance of the LOBs requires a public hearing which was held at the May 13, 2025 City Council meeting.
- Staff is seeking Council adoption of the approving resolution associated with this debt issuance.

Council Goal(s):

- A Financially Resilient City

Pro(s):

- Allows for the issuance of Limited Obligation Bond (LOBs) to meet the City's cash flow needs for the McCormick Field project.
- Approximately 65-70% of the long-term debt costs will be paid by the partners in the project.
- Spreads capital costs over a longer term to better match the useful life of the asset.

Con(s):

- None

Fiscal Impact:

- The exact amount of the debt service on the taxable LOBs Bonds will be determined after sale of the debt in June. The City's share of the long-term debt costs will likely average approximately \$850,000 per year over the next 20 years, and this amount has already been included in the City's multi-year Capital Improvement Program and Debt Model. The remaining debt service costs, which equate to about 65-70% of the total, will be paid by the partners in the project - Buncombe County, the Tourism Development Authority (TDA), and the Asheville Tourists.

Motion:

- Motion to adopt the resolution approving the documentation and authorizing officers of the City to pursue on behalf of the City debt financing associated with the issuance of the up to \$35 million 2025 Limited Obligation Bonds (LOBs) for McCormick Field improvements.

RESOLUTION BOOK NO. 45 - PAGE 415

E. RESOLUTION NO. 25-110 - RESOLUTION AUTHORIZING THE CITY MANGER TO ENTER INTO A NEW ONE-YEAR CONTRACT FOR BOND COUNSEL LEGAL SERVICES WITH PARKER POE ADAMS & BERNSTEIN, LLP, WITH TWO ONE-YEAR RENEWAL OPTIONS

Action Requested: Adoption of a resolution approving a new one-year contract for bond counsel legal services with Parker Poe Adams & Bernstein, LLP with two one-year renewal options at a first year amount of \$200,000 and a Not to Exceed amount of \$500,000 over the life of the contract.

Background:

- The City of Asheville requires the legal services of a bond counsel to review, prepare and assist the City in matters related to debt issuances. These services include:
 - participation in meetings with City staff and, to the extent deemed necessary by City Staff, with the City Council;
 - preparation of the amendments and supplements to the Indenture, Installment Financing Contract and the Deed of Trust, as necessary, under which the debt will be issued and various resolutions and notices, relating to the authorization, execution and delivery of the debt;
 - preparation of all other papers required as a condition precedent to the execution of the debt;
 - assistance to the City with respect to matters before the Local Government Commission;
 - participation with the underwriters and its counsel in the review of the documents for the sale of the debt;
 - preparation of necessary resolutions and documentation for approval by the Asheville Public Financing Corporation ("APFC") and participation with counsel to the APFC related to the closing for the debt;
 - and delivery of an opinion as to the validity of the debt and the federal and state tax treatment of the interest of the debt, subject to usual and customary exceptions.
- Parker Poe Adams & Bernstein, LLP has a long-standing relationship with the City, providing necessary bond counsel services to the City of Asheville with satisfactory results.
- North Carolina law prohibits the City Attorney, or any assistant attorney from performing this function, therefore external counsel is required.
- Services rendered under this contract will have individual engagements defined through supplemental agreements for projects on an as-needed basis.

Vendor Outreach Efforts:

- A competitive bid process is not required by State statute or City policy for this type of contract.

Council Goal:

- Financially Resilient City

Committee::

- No prior committee approval.

Pro:

- Contracting with this firm provides the necessary outside expertise that enhances the City's financial management
- Statute requires outside bond counsel when issuing debt.

Con(s):

- None

Fiscal Impact:

- Payments will be made based on individual engagements on an as-needed basis and be paid through the City's multi-year Capital Improvement Program (CIP) and Debt Model.

Motion:

- Motion to adopt a resolution approving a new one-year contract for bond counsel legal services with Parker Poe Adams & Bernstein, LLP with two one-year renewal options at a first year amount of \$200,000 and a Not to Exceed amount of \$500,000 over the life of the contract.

RESOLUTION BOOK NO. 45 - PAGE 419**F. RESOLUTION NO. 25-111 - RESOLUTION AMENDING THE NORTH CAROLINA CASHFLOW LOAN AGREEMENT AND PROMISSORY NOTE; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE ASSOCIATED DOCUMENTS**

Action Requested: Adoption of resolution amending the cashflow loan agreement with the State of North Carolina and authorizing the City Manager to execute the associated document.

Background:

- The North Carolina General Assembly created a \$100 million cashflow loan program under the Disaster Recovery Act of 2024, which was passed on December 11, 2024.
- The goal of the program is to help local governments whose communities were devastated by Hurricane Helene while they wait for federal money to arrive.
- In late February, the City received notice that it was awarded a \$2.8M loan as part of this program.
- The loan, which is not structured as a forgivable loan due to duplication of benefit concerns with Federal Emergency Management Agency (FEMA) funding, comes with a 0% interest rate and a five-year payback schedule.
- At its March 25, 2025 meeting, City Council approved the NC Helene CashFlow Loan Agreement which allowed the City to receive the \$2.8M loan from the State Treasurer to assist with the Helene-related expenses while awaiting FEMA reimbursements.
- The State Treasurer is now requesting that all local governments who received expedited public assistance funding from FEMA approve an amendment to the original loan agreement that allows that local government to receive the FEMA expedited funding without triggering an obligation to repay the equivalent amount of the loan proceeds immediately following receipt of such funding.

Council Goal(s):

- A Financially Resilient City

Pro(s):

- Allows the City to keep the proceeds from the \$2.8M Helene Cashflow Loan without having to immediately repay those funds.

Con(s):

- None

Fiscal Impact:

- As noted above, the City has received the \$2.8 million in cash from the loan to help offset Helene expenses in the current fiscal year, which is important for overall cash flow and will strengthen the City's year-end balance sheet.

Motion:

- Motion to adopt a resolution amending the cashflow loan agreement with the State of North Carolina and authorizing the City Manager to execute the associated document.

RESOLUTION BOOK NO. 45 - PAGE 420

G. RESOLUTION NO. 25-112 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXERCISE UP TO TWO OPTIONS TO RENEW THE CITY'S CONTRACT WITH THE FMRT GROUP, LLC, FOR CONTINUING BEFORE-HIRE AND AFTER-HIRE PSYCHOLOGICAL AND MEDICAL SUPPORT SERVICES FOR THE ASHEVILLE POLICE DEPARTMENT

Action Requested: Adoption of a resolution authorizing the City Manager to exercise up to two options to renew the City's contract with The FMRT Group, LLC for continuing Before-Hire and After-Hire Psychological and Medical Support Services for the Asheville Police Department.

Background:

- The Asheville Police Department (APD) entered into a contract with The FMRT Group, LLC on 07/01/2021 for before-hire and after-hire psychological and medical support services.
- A psychological evaluation is a necessary portion of the hiring process for a Police Officer Trainee or a Police Officer and is mandated by the N.C. State Criminal Justice Education & Training Standards Commission in order to certify someone as a police officer.
- The existing contract has two one-year renewals available, and the APD would like approval to renew each year at its discretion.
- APD already includes this expense in the annual budget process, and additional funding is not anticipated to be required.

Vendor Outreach Efforts:

- N/A - contract renewal

Council Goal(s):

- A Connected and Engaged Community

Committee(s):

- N/A

Pro(s):

- Adherence to the mandate by the N.C. State Criminal Justice Education & Training Standards Commission in order to certify someone as a police officer.

Con(s):

- Continued annual cost of contracting

Fiscal Impact:

- Funding for the next renewal of this contract (\$30,000) is available in the Asheville Police Department operating budget.
- The cost for the second renewal will be \$30,000.
- The total contract amount over a 5-year period will not exceed \$149,000.

Motion:

- Adoption of a resolution authorizing the City Manager to exercise the up to two options to renew the City's contract with The FMRT Group, LLC for continuing Before-Hire and After-Hire Psychological and Medical Support Services for the Asheville Police Department.

RESOLUTION BOOK NO. 45 - PAGE 425

H. RESOLUTION NO. 25-113 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO THE FINAL RENEWAL AGREEMENT WITH ZIPS CAR WASH, LLC, FOR CONTINUING VEHICLE AUTOMATED WASHING SERVICES FOR THE ASHEVILLE POLICE DEPARTMENT

Action Requested: Adoption of a resolution authorizing the City Manager to exercise the final renewal of the City's contract with Zips Car Wash, LLC for continuing vehicle automated washing services for the Asheville Police Department.

Background:

- The City entered into a contractual agreement with Zips Car Wash, LLC on 07/01/2023 for APD vehicle automated washing services.
- The contract has one final annual renewal available, and the City would like approval to execute the renewal.
- APD already includes this expense in the annual budget process, and additional funding is not required.

Vendor Outreach Efforts:

- N/A - contract renewal

Council Goal(s):

- A Connected and Engaged Community

Committee(s):

- N/A

Pro(s):

- Unlimited vehicle washing for the entire Asheville Police Department fleet of vehicles.
- A well-maintained police car improves vehicle longevity and performance, signals professionalism and promotes a positive image for the police department in the community

Con(s):

- Continued annual cost of contracting

Fiscal Impact:

- Funding for the final year of this contract at \$40,788 is available in the Asheville Police Department operating budget.
- The total contract amount over a 3-year period is \$122,364.

Motion:

- Adoption of a resolution authorizing the City Manager to exercise the final renewal of the City's contract with Zips Car Wash, LLC for continuing vehicle automated washing services for the Asheville Police Department.

RESOLUTION BOOK NO. 45 - PAGE 426

I. RESOLUTION NO. 25-114 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE AGREEMENT WITH ART GARDEN AVL LLC TO LEASE A PORTION OF 43 WALL STREET TO USE AS AN ART STUDIO AND GALLERY SPACE

Action Requested: Adoption of a resolution authorizing the City Manager to execute a lease agreement between the City of Asheville (City) and Art Garden AVL, LLC at 43 Wall Street for studio space.

Background:

- The space is 2,100 SF of commercial space attached to a three-story parking garage.
- The space is owned by the City and managed by the Transportation Department.
- There is not currently a tenant in the space, and it has minimal improvements and amenities.
- City staff reviewed the vacant space, and no internal use was identified due to the significant improvements required for the City to use it.
- After a marketing campaign and review process in partnership with a local commercial brokerage firm, Art Garden AVL, LLC has proposed to lease the space for use as a gallery space for an art gallery that was dislocated by Hurricane Helene.
- The lease term will be 5 years, with an option to renew for one (1) additional five-year period.
- In return for the use of the facilities, Art Garden will make improvements to the commercial space that are estimated to exceed the fair market rent for the initial five year term. The current estimate of improvements by the tenant is approximately \$161,400.
- During the initial term of five years, Art Garden will pay \$0.00 per year in exchange for the costs incurred for improvements that meet or exceed the amount of the rent estimated for this site.
- For the remainder of the term of the lease, Art Garden will pay rent at \$12.00 per square foot, equal to \$2,100 per month, with a 3% annual increase to base rent.
 - These terms have been reviewed by a commercial broker and confirmed that the price point was deemed fair market for the type and condition of the property.

Council Goal(s):

- Economic Recovery

Committee(s):

- None

Pro(s):

- Provide studio space for artists who were displaced by Tropical Storm Helene.

Con(s):

- None, aside from no rental income for the first five (5) year term, in exchange for improvements.

Fiscal Impact:

- The tenant will pay \$0.00 during the initial term of five years in exchange for the costs incurred for site improvements that meet or exceed the amount of the rent estimated for this site.

- For the remainder of the lease term, the tenant will pay \$12.00 per SF, equal to \$2,100 per month, with a 3% annual increase to the base rent.

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute a lease agreement between the City of Asheville and Art Garden AVL, LLC at 43 Wall Street for studio space.

Councilwoman Roney was excited that this is an opportunity for City space to be used for art galleries for those displaced by Tropical Storm Helene.

RESOLUTION BOOK NO. 45 - PAGE 427

J. RESOLUTION NO. 25-115 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH CLARK NEXSEN FOR THE MALVERN HILLS PARK IMPROVEMENTS PROJECT

Action Requested: Adoption of a resolution authorizing the City Manager to enter into a contract with Clark Nexsen, a division of Johnson, Mirmiran, and Thompson, Inc., in the amount of \$269,400.00, for the Malvern Hills Park Improvement project; and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$27,000.00.

Background:

- The City of Asheville is replacing the existing 90 year old municipal pool in Malvern Hills Park with a new, modern, and code-compliant aquatic facility (including the pool house and pump house buildings) that enhances community recreation opportunities and ensures accessibility for all residents.
- A community preference survey was launched on Public Input on March 31st, to gather community input for the pool project. The survey concluded on April 28, 2025.
- Submittals for the Request for Qualifications (RFQ) were received on March 24th, 2025.
- The RFQ solicited design teams with experience in pool design, architecture, and engineering of the Malvern Hills Park Project, and 11 firms provided submittals which were reviewed by a selection committee.
- The design team led by Clark Nexsen from Asheville was selected as the most qualified to provide design services.
- Clark Nexsen's fee proposal has been reviewed and negotiated to \$269,400.00.
- The scope for this design contract includes: planning, budgeting, designing, a public meeting attendance and preparing construction documents for a new pool and repairing associated buildings to meet current building code, safety standards and a fully accessible facility.
- Anticipated schedule is for design to start Summer 2025 with design wrapping up in Mid- 2026. Construction is anticipated to begin in the Summer 2026 and be complete by Fall 2027.
- Staff is proposing to use a Construction Manager at Risk project delivery method in order to expedite the construction start date and will continue to look for ways to expedite project delivery.

Vendor Outreach Efforts:

- Staff performed outreach to minority and women owned businesses through solicitation processes which include posting on the State's Interactive Purchasing System.
- All A/E design firms on the City's MWBE list were emailed prior to advertising the project to inform them of upcoming City of Asheville Design Projects.
- Clark Nexsen is not a minority or women-owned business.

Council Goal(s):

- The council goal is 'A well-planned and livable community'
- The council priority is 'Improve and Maintain Infrastructure and Core Services'

Committee(s):

- None

Pro(s):

- By providing a new pool at Malvern Hills Park, it will provide much needed city wide aquatic recreation opportunities. The largest City pool was destroyed in the flooding of the Swannanoa River due to Helene in Fall 2024. Currently, the Grant Recreation Center Pool is the only functioning City owned pool.
- The surrounding Malvern Hills community strongly supports the park and pool improvement.

Con(s):

- None

Fiscal Impact:

- Funding for this contract is included in the adopted 2024 GO Bond Capital Budget.

Motion:

- Adoption of a resolution authorizing the City Manager to enter into a contract with Clark Nexsen, a division of Johnson, Mirmiran, and Thompson, Inc., in the amount of \$269,400.00, for the Malvern Hills Park Improvement project; and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$27,000.00.

Director of Parks & Recreation D. Tyrell McGirt said that the design contract we are asking City Council to approve allows us to understand the facility better, to engage the public to determine the scope of the project, and to ensure that the facility meets compliance when it is reopened. To clarify, the demolition of the bathhouse is not the intent of the Malvern Hills Park project. The goal is to create a safe and fully accessible facility that meets ADA guidelines, which will involve retrofitting several interior areas of the building. Code compliance is a requirement of any project whether it be a new facility or a remodel. The pool house is old and in order for us to meet compliance significant improvements will be necessary.

Sally Grau said that the community wants Malvern Hills pool to be rebuilt in its current footprint and the existing bathhouse to be remodeled to become compliant and they hope this entire design phase can be completed in six months.

RESOLUTION BOOK NO. 45 - PAGE 428

K. RESOLUTION NO. 25-116 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH SMART BUILDERS CONSTRUCTION, LLC, FOR THE WEAVER PARK IMPROVEMENTS (LOWER SIDE) PROJECT

Action Requested: Adoption of a resolution authorizing the City Manager to enter into a contract with Smart Builders Construction LLC, in the amount of \$679,301.00, for the Weaver Park improvements; and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$67,900.00.

Background:

- Weaver Park has received renovations piece by piece over the past several years. This project will complete the final part of the park (excluding the buildings).
- This portion of construction will focus on the ballfield and walkway around it. It will provide new fencing, batting cages, visitor seating and walking surfaces to make it accessible and to replace outdated equipment.
- The expected schedule for construction to start is in July, after baseball season is over.

Vendor Outreach Efforts:

- Staff performed outreach to minority and women owned businesses through solicitation processes using the State's Interactive Purchasing System and requested prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services.
- Additionally, prior to the pre-bid meeting, staff collaborated with the ABI office and reached out by email to a list of 16 minority contractors (list provided by the Asheville Business Inclusion Office).
- The ABI office made phone calls to each of the 16 emailed minority contractors to personally connect with each company.
- This project was advertised on March 20, 2025, and the City received and opened bids on April 24, 2025. Three bids were submitted. Their names and bid amounts are listed below:
 - Patton Construction Group, Inc. Asheville, NC. \$770,545.00
 - Smart Builders Construction, LLC (dba Modern Mountain Builders). Asheville, NC. \$679,301.00
 - J. Bartholomew Construction, LLC. Hendersonville, NC. \$849,600.00
- Smart Builders Construction was the lowest responsive, responsible bidder.
- Two MWBE firms submitted bids with this prime contractor.
- Smart Builders is not a minority or women owned business.

Council Goal(s):

- The council goal is 'A well-planned and livable community'
- The council priority is 'Improve and Maintain Infrastructure and Core Services'

Committee(s):

- None

Pro(s):

- Weaver Park will receive much needed improvements with this project, replacing outdated equipment and accessibility.
- Construction will occur during the baseball/t-ball off-season.

Con(s):

- None

Fiscal Impact:

- This project is currently funded by GO Bond and Capital funds.

Motion:

- Adoption of a resolution authorizing the City Manager to enter into a contract with Smart Builders Construction LLC, in the amount of \$679,301.00, for the Weaver Park improvements; and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$67,900.00.

RESOLUTION BOOK NO. 45 - PAGE 429

L. RESOLUTION NO. 25-117 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH HBA WORLDWIDE LLC D/B/A GENX SECURITY SYSTEMS FOR THE PROJECT KNOWN AS DEBRIS SITE SOLAR SECURITY TRAILERS

Action Requested: Adoption of a resolution authorizing the City Manager to execute a contract with HBA Worldwide LLC DBA GenX Security Systems for the project known as Debris Site Solar Security Trailers in the amount of \$267,203.00.

Background:

- Hurricane Helene resulted in a significant volume of debris throughout the city.
- Efficient and effective management of this debris is essential.
- Visual monitoring is required to ensure proper debris handling and site management.
- Debris site cameras offer a practical solution for remote monitoring while providing cost saving from traditional manned security.
- The project was initially advertised on January 23, 2025, and then canceled and sent out for ReBid on February 27th, 2025 due to edits in the original scope of work needed.
- It was readvertised on February 14th 2025, and the City received and opened bids on February 27th, 2025 @5:00PM.
- Fourteen bids were received, The following companies submitted bids:
 - A3, Irmo, SS, Two options provided: A) \$421,573.00 B) \$383,545.00
 - Alegra Technologies, Charlotte, NC \$270,429.00
 - Encore Technology Group, Piedmont, SC \$268,151.00
 - ESI, Channelview, TX \$277,550.00
 - Genric, Marysville, OH \$271,500.00
 - HBA Worldwide LLC DBA GenX Security Systems, Piedmont, SC \$267,203.00
 - HQE Systems, Temecula, Ca \$468,598.00
 - IoT Deployment Services, Charlotte, NC \$282,014.00
 - LRG Technologies, St Paul MN \$323,809.00
 - Nitor, Clemmons, SC \$305,648.00
 - ReconView LLC, Locust, NC \$356,584.00
 - Non-Responsive Bids:
 - Appalachian Network Services, Fletcher, NC \$248,936.00
 - Deploy Surveillance, Jordan, UT \$756,000.00
 - Vector Security, Sanford, NC \$171,849.00
- HBA Worldwide LLC DBA GenX Security Systems was the lowest responsive, responsible bidder.
 - Resulting in a total contract award amount is \$267,203.00

Vendor Outreach Efforts:

- Staff performed outreach to minority and women owned businesses through solicitation processes which include posting on the State's Interactive Purchasing System and requiring prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services.
- HBA Worldwide LLC DBA GenX Security Systems is a woman owned business enterprise.

Council Goal(s):

- Clean, Safe and Healthy Environment

Committee(s):

- N/A

Pro(s):

- Loitering and trespassing can occur, posing a risk to individuals and the security of the site.
- Potential for theft of equipment or materials stored at the debris sites.
- Injury risk exists due to the nature of debris and potential hazards present at the sites.
- Health concerns may arise from exposure to debris, potential contaminants, or unsanitary conditions.
- Community safety is compromised without proper monitoring and control of access to the debris sites.
- The funding for security cameras falls under reimbursement from FEMA, highlighting the importance of documenting and managing the sites effectively for financial recovery.

Con(s):

- N/A

Fiscal Impact:

- It is anticipated that this contract will be reimbursed by FEMA.

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute a contract with HBA Worldwide LLC DBA GenX Security Systems for the project known as Debris Site Solar Security Trailers in the amount of \$267,203.00

RESOLUTION BOOK NO. 45 - PAGE 430

M. RESOLUTION NO. 25-118 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH EXTERIOR DIAGNOSTIC SERVICES LLC FOR THE PARKING GARAGE CAPITAL IMPROVEMENTS FISCAL YEAR 2025 PROJECT; AND FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE ANY CHANGE ORDERS THAT MAY ARISE DURING THE PROJECT UP TO THE CONTINGENCY AMOUNT

Action Requested: Adoption of a resolution authorizing the City Manager to enter into a contract with Exterior Diagnostic Services, LLC in the amount of \$1,949,877.00 for the Parking Garage Capital Improvements FY25 project; and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$194,988.00 (10%).

Background:

- A Parking Garage Facility Study was completed in 2023 identifying \$11.3 million in repairs and restoration work at the City's four downtown parking garages.
- To date \$775,000 has been spent towards immediate priority repairs, emergency repairs and ADA accessibility improvements in the Wall Street, Rankin Ave, and Harrah's Cherokee Center Asheville garages.
- The next phase of improvements, the Parking Garage Capital Improvements FY25 project, will address restoration work in the Wall Street and Rankin Ave garages. Work will include cleaning, strengthening, sealing and coating of the concrete and steel surfaces throughout the garages, new traffic coatings, new striping and other improvements.
- The estimated timeline to perform the work in the two garages—while the garages remain open and operating but with portions of the parking levels closed off throughout—is 10 months. In an effort to limit the disruption to parking services and expedite construction, Staff included a bid alternate that will expedite construction by fully closing the garages during construction.
 - Bid Alternate 1 condenses the construction schedule for the Wall Street garage down to 6 weeks. Bid Alternate 2 condenses the Rankin Ave construction schedule down to 4 weeks.
 - The work will be performed consecutively in one garage and then the next, so there will only be one garage out of service at a time.
- A request for bids, 298-CP25-PFGY25.REBID, was issued April 21, 2025. Bids were opened on May 8, 2025. Four bids were received:

Bidder	Base Bid	Alternates	Total
○ Eskola, LLC ■ Charlotte, NC	\$1,577,700.00	-\$21,496.56	\$1,556,203.44
○ Exterior Diagnostics Services, LLC ■ Apex, NC	\$1,949,877.00	+\$0.00	\$1,949,877.00
○ Stone Restoration of America, Inc. ■ Charlotte, NC	\$2,427,044.00	-\$60,000.00	\$2,367,044.00
○ Strickland Waterproofing Co, Inc. ■ Charlotte, NC	\$3,893,695.00	+\$224,000.00	\$4,117,695.00

- The low bidder, Eskola, LLC, was deemed non-responsive due to an incomplete bid.
- The lowest responsive and responsible bidder is Exterior Diagnostics Services, LLC.

Vendor Outreach Efforts:

- Staff performed direct outreach to minority and women owned businesses, through solicitation processes using the State's Interactive Purchasing System; and required prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for any and all subcontracted services.
 - A woman owned supplier, MWM Supply of Raleigh, NC is included as a subcontractor to Exterior Diagnostics Services, LLC.

Council Goal(s):

- Improve and Maintain Infrastructure and Core Services

Committee(s):

- None

Pro(s):

- This contract will provide necessary repairs to the Wall Street and Rankin parking garages.
- The repairs will prolong the life of the parking facilities and improve the customer experience

Con(s):

- During construction parking availability downtown will be reduced.
- The closure of the garages for construction will result in reduced parking revenues.

Fiscal Impact:

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

Motion:

- Motion authorizing the City Manager to enter into a contract with Exterior Diagnostic Services, LLC in the amount of \$1,949,877.00 for the Parking Garage Capital Improvements FY25 project; and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of \$194,988.00 (10%).

RESOLUTION BOOK NO. 45 - PAGE 431

N. RESOLUTION NO. 25-119 - RESOLUTION APPROVING ABC BOARD REQUEST TO EXCLUDE PROCEEDS OF SALE OF PROPERTY FROM INCOME, AND TO USE SAID PROCEEDS FOR PLANNED IMPROVEMENTS

This is a request from the ABC Board to exclude the proceeds from the sale (\$155,029.19) of 133 Old Charlotte Highway in order to upgrade current property to be used as a retail location to accommodate the increasing need for shelf space.

RESOLUTION BOOK NO. 45 - PAGE 432

O. MOTION AMENDING THE 2025 CITY COUNCIL MEETING SCHEDULE TO (1) INCLUDE A POLICY, FINANCE & INFRASTRUCTURE (PFI) WORKSESSION, EVERY OTHER 4TH TUESDAY BEGINNING IN JUNE (EXCEPT NO MEETINGS ON JUNE 24, 2025, and DECEMBER 23, 2025) AT 3:00 P.M. IN THE COUNCIL CHAMBER, LOCATED ON THE 2ND FLOOR OF CITY HALL; AND (2) INCLUDE A SPECIAL

MEETING OF THE PFI ON TUESDAY, JUNE 10, 2025, AT 2:00 P.M., IN THE COUNCIL CHAMBER, LOCATED ON THE SECOND FLOOR OF CITY HALL

Mayor Manheimer said that members of Council have been previously furnished with a copy of the resolutions and ordinances on the Consent Agenda and they would not be read.

Councilwoman Roney 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 RESET PROJECT (FORMERLY KNOWN AS SECOND CHANCE)

City Manager Campbell said that tonight we will recognize the City of Asheville's Second Chance program (Asheville Reset Project). The City of Asheville actively supports second chance hiring initiatives. The Asheville Reset Project (ARP) connects individuals with barriers to employment to meaningful job opportunities, with 25 or 60 participants now employed by the City of Asheville.

Ronnie Copeland, in the Human Relations, Anti-Discrimination and Compliance Department, said that their mission is to disrupt the recurrence of recidivism with opportunities for stable and full-time employment. The mission is accomplished by supporting individuals with barriers to employment by securing meaningful work, while ensuring success for participants and hiring managers. We support staff by providing training and regular check-ins. Participants are supported by attending a program orientation and are held to the same standards as all other employees of the City. We partner with: Operation Gateway; Buncombe Drug Court; and North Carolina Department of Public Safety.

Using a chart, regarding the applicants, 10% have worked with the City for more than 1 year. 58.6% were not hired and 41.4% were hired. She showed that 48.3% of people were walk-ins (people who applied prior to knowledge of the ARP); 33.3% were people referred by Operation Gateway, and 18.3% were people referred to by Buncombe County. She said 7 people are still reporting to the program. Applicants complete the program after 1 year. Only two employees were unsuccessful in completing the program.

B. LETTER TO THE N.C. DEPT. OF TRANSPORTATION REGARDING THE I-26 CONNECTOR PROJECT

Mayor Manheimer said that she and Buncombe County Commission Chair Amanda Edwards sent the following letter to the N.C. Dept. of Transportation, due to the input timeframe: "On behalf of Asheville City Council and the Buncombe County Commission, we respectfully request your consideration of an alternative design for the proposed I-26 bridge over Patton Avenue and associated ideas to reduce project costs. We also urge a collaborative process to ensure meaningful community involvement in shaping the bridge's final design and aesthetics. Since 1999, Asheville City Council has supported the I-26 Connector and advocated for a design that reflects our community's vision. This collaboration, through [numerous resolutions](#), has helped shape the project to serve local, regional, and statewide needs.

"We appreciate NCDOT's work in building and maintaining transportation systems and value our long-standing partnership in advancing multimodal infrastructure. Your commitment to the I-26 project was clear when NCDOT secured additional resources from across the state after original bids exceeded the budget.

‘Today, we reinforce that commitment. For the first time, Buncombe County Commissioners join the Asheville City Council in calling for deeper collaboration with NCDOT to create a final design that reflects the communities we serve. Given the history of community involvement, we formally request:

- **“Reconsideration of the current I-26 flyover bridge design and other cost-saving ideas.** The compromise to build I-26 below grade while keeping Patton Avenue at surface level was critical to preserving neighborhood fabric, economic connectivity, and supporting multimodal transportation. Reversing this threatens the vitality of the communities this project aims to serve and raises concerns about transparency and process. Please consider all feasible alternatives, including Patton Avenue going over I-26, reducing the project’s physical scope, minimizing lanes, and lowering Patton Avenue’s design speed west of the river.
- **Commitment to meaningful community engagement to finalize the design.** We request continued collaboration through the Aesthetics Committee and an Alternative Design Task Force. The project must do more than move traffic—it must honor neighborhoods, support a walkable future, maintain connectivity within adjacent neighborhoods, and reflect shared values. As local governments whose financial health is highly dependent upon sales and property taxes, we remain concerned about the potential loss of our tax base due to the project and we hope to see a final design that supports a business and pedestrian friendly community.
- **Commitment to transparency through updates to the French Broad Metropolitan Planning Organization (FB MPO)** at key project milestones and whenever significant design changes are considered. This ensures elected officials and the public have access to key project information.
- **Maintain momentum toward completing the I-26 Connector,** which is essential for Asheville’s growth and well being. Let’s work together to ensure this infrastructure benefits the city and county for generations.

“ Let’s maintain momentum toward completing the I-26 Connector, which is essential to Asheville’s growth and well-being. Together, we can ensure this infrastructure benefits the city and county for generations.”

Councilwoman Roney said that it’s her understanding that City staff submitted a list of items they advocated for to the N.C. Dept. of Transportation last year. City Manager Campbell said that she would look for that document and provide it to Council.

IV. PUBLIC HEARINGS:

A. PUBLIC HEARING ON THE FISCAL YEAR 2025-26 ANNUAL OPERATING BUDGET

Budget Manager Lindsay Spangler said that this is the public hearing on the City of Asheville Fiscal Year (FY) 2025-26 Proposed Annual Budget and inclusion of public input in City Council’s consideration of the budget.

Background:

- The FY 2025-26 Proposed Annual Budget was presented to City Council on May 13, 2025, and totals \$256.1 million.
- In summary the Proposed Budget includes the following:
 - 3.0% compensation increase for all staff on the General Pay Plan whose salaries are above the median pay of \$58,000 and \$1,740 flat increase for those below the median.
 - Moving the Police Department to a new pay plan, which includes compression adjustments and a 3% one-time increase for those without a compression adjustment.

- 3% compensation increase for Fire employees, plus funding to establish a new shift structure for the Department, which will begin a long-term process of decreasing firefighter hours by adding new staff.
- \$5M in one-time revenues from a FEMA Community Disaster Loan to cover decreased revenue projections after Tropical Storm Helene.
- A property tax rate increase of 3.26 cents to cover compensation adjustments and maintenance of the city's fund balance at the recommended rate of 15%.
- A robust capital program which includes Helene recovery projects, General Obligation Bond projects, and other capital improvements.
- A detailed copy of the Proposed Budget is available for public review in the City Clerk's office, as well as on the City's website (www.ashevillenc.gov).
- In accordance with the North Carolina Local Government Budget and Fiscal Control Act (G.S. 159-12), a summary of the Proposed Budget along with a notice of the public hearing was published on May 16, 2025].
- Adoption of the FY 2025-26 Budget Ordinance is scheduled for June 10, 2025, at the regularly scheduled City Council meeting.
- The Proposed Budget may be adjusted by City Council before adoption.
- It may also be changed by budget amendment after adoption.

Council Goal(s):

- A Financially Resilient City

Pro(s):

- Provides the opportunity for the public to comment on the Proposed Annual Operating Budget for FY 2025-26.

Con(s)

- None

Fiscal Impact:

- No impact to conducting the public hearing.

Ms. Spangler outlined the following key takeaways from his presentation: (1) Due to financial constraints, the Fiscal Year (FY) 2025-26 Proposed Budget minimizes cost increases as much as possible, including \$5.0M in budget reductions and utilizing one-time revenue sources; (2) The Proposed Budget totals \$256.1 million and includes funding for a 3% hybrid compensation option, compression adjustments in the Police Department, and putting the supervisory structure in place for the Asheville Fire Department's 4th shift; (3) The budget includes a 3.26 cent property tax rate increase to fund the compensation adjustments and maintain a 15% fund balance; and (4) The Capital Improvement Budget includes \$24.4M in capital spending for next year, in addition to TS Helene recovery and GO Bond projects.

Public input opportunities included (1) A public comment session was held during the City Council meeting on February 25; (2) Recovery priorities survey was conducted via Public Input; and (3) May 27 Public Hearing.

She reviewed a chart for the FY 2026 General Fund projections (from April 8 Budget worksession). FY 2026 General Fund revenues are (1) Property tax base is expected to be down just under 1.0% (\$750k) next year based on County Tax Office estimates - Normally would see growth of 1.5%-2.0%; (2) Sales Taxes - A lot of uncertainty due to Helene and overall economic conditions; staff budgeted 5% (\$2.0M) below the FY 2025 budget; and (3) A number of variances in other General Fund revenues but overall those revenues are projected to be flat compared to the current year. General Fund cost increases are (1) Due to financial constraints after Tropical Storm Helene, departments were

instructed not to request additional funding or positions - No new City-funded positions are included in the Proposed Budget; and (2) The Proposed Budget includes unavoidable cost increases associated with continuing existing operations - Major increases are health care and state retirement

Budget balancing strategies included (1) \$5.0M in budget reductions were made to close the gap between revenues and expenses; (2) Staff utilized fund balance in the Street Cut Fund to provide one-time revenue to the General Fund; (3) Staff also utilized fund balance in the Transit Fund to balance that budget and avoid an increase in General Fund support; and (4) The Proposed Budget includes \$5M loan from the FEMA Community Disaster Loan program as one-time revenue.

She reviewed the following cost saving strategies for FY 2026.

Savings	Est. \$ (in millions)
Other Post Employment Benefit (OPEB) trust fund contribution	-\$1.3M
Personnel savings (hiring review plus FEMA/CDBG-DR reimbursement)	-\$1.2M
Minor health care plan adjustments	-\$0.6M
Training and travel reduction (50%)	-\$0.5M
Pause Housing Trust Fund contribution	-\$0.5M
Pause Strategic Partnership Grants	-\$0.3M
Reduce Neighborhood Matching Grants	-\$0.1M
Maximize use of Opioid grant funding	-\$0.2M
Additional staff vacancy savings	-\$0.3M
Total	-\$5.0M

Regarding the proposed property tax rate increase, (1) at the beginning of budget discussions, staff was projecting a 6.3 cent tax increase; and (2) After utilizing the budget balancing strategies from the previous slide, the Proposed Budget recommends a 3.26 cent tax increase.

	Tax Rate Increase	Average Homeowner Impact (Annual)	Average Homeowner Impact (Monthly)
<ul style="list-style-type: none"> 3% Hybrid Comp. Adjustment New APD Pay Plan AFD 4th Shift Promotions Maintain 15% Fund Balance 	3.26 cents	\$114	\$9.51

Assumes average residential tax value of \$350,000 and every 1-cent tax rate increase generates \$2.0M.

She then reviewed the following proposed budget summary:

	FY25 Adopted	FY26 Proposed	Change	
			\$	%
General Fund	\$ 179.71M	\$ 182.66M	\$ 2.95M	1.6%
Water Resources	\$ 47.14M	\$ 49.45M	\$ 2.30M	4.9%
Transit Services	\$ 14.55M	\$ 15.23M	\$ 0.68M	4.7%
Stormwater	\$ 8.84M	\$ 9.32M	\$ 0.48M	5.4%
Parking Services	\$ 8.17M	\$ 7.14M	-\$ 1.02M	-12.5%
Harrah's Center	\$ 6.15M	\$ 6.09M	-\$ 0.06M	-1.0%
Street Cut Utility	\$ 2.91M	\$ 4.03M	\$ 1.12M	38.4%
Total	\$ 267.47M	\$ 273.91M	\$ 6.45M	2.4%
Interfund Transactions	-\$ 16.59M	-\$ 17.84M	-\$ 1.25M	7.5%
Net Budget	\$ 250.88M	\$ 256.08M	\$ 5.20M	2.1%

She then reviewed the revenue and expenditure charts for all funds.

Proposed compensation adjustments include: (1) **General Pay Plans 3% Hybrid:** 3.0% increase for all staff whose salaries are above the median pay of \$58,000 and \$1,740 flat increase for those below the median; (3) **Police Pay Plan:** transition to a new pay structure, including adjustments to avoid compression. Officers not receiving a compression adjustment will receive a one-time amount equivalent to 3.0%; (3) **Fire Pay Plan:** 3.0% increase for employees on the Fire pay plan; and (4) **Fire Department 4th Shift:** (a) \$205K included for firefighter promotions, which will put supervisory structure in place for a 4th shift; (b) First step in a long-term plan that will eventually lead to firefighters working 42 hours per week instead of 56 by adding additional firefighters; with the exact number to be determined after further study; (c) Consistent with the recommendations in the AFFA 4th Shift Analysis Study, this proposed budget does not recommend adding new firefighters next year but it recommends putting the structure in place; and (d) Future Councils and staff will determine the pace of implementation based on available resources.

She said the proposed property tax rate increase (1) at the beginning of budget discussions, staff was projecting a 6.3 cent tax increase; and (2) after utilizing the budget balancing strategies from the previous slide, the Proposed Budget recommends a 3.26 cent tax increase.

	Tax Rate Increase	Average Homeowner Impact (Annual)	Average Homeowner Impact (Monthly)
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<ul style="list-style-type: none"> • 3% Hybrid Comp. Adjustment • New APD Pay Plan • AFD 4th Shift Promotions • Maintain 15% Fund Balance 	3.26 cents	\$114	\$9.51
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Assumes average residential tax value of \$350,000 and every 1-cent tax rate increase generates \$2.0M.

She then reviewed the FY 2026-30 Proposed General Fund Capital Improvement Program (CIP) as follows:

	FY26	FY27	FY28	FY29	FY30
Facility Maintenance	\$ 12.60M	\$ 1.50M	\$ 6.64M	\$ 9.50M	\$ 3.90M
Fleet & Equipment	\$ 7.58M	\$ 7.64M	\$ 7.75M	\$ 8.22M	\$ 8.10M
Greenways	\$ 0.00M	\$ 0.38M	\$ 6.00M	\$ 0.00M	\$ 5.50M
Recreation & Entertainment Facilities	\$ 0.44M	\$ 2.09M	\$ 9.57M	\$ 2.19M	\$ 7.09M
Streets & Sidewalks	\$ 3.73M	\$ 21.00M	\$ 2.27M	\$ 7.63M	\$ 2.50M
Total	\$ 24.35M	\$ 32.61M	\$ 32.23M	\$ 27.54M	\$ 27.10M

Note: The CIP in the Proposed Budget Document also includes funding for in-house labor, public art, and contingency which are not shown in the chart above

She reviewed the Helene Recovery draft infrastructure recovery phasing plan.

She then reviewed the following Capital Highlights (Enterprise Funds) (1) Water Resources - Revenue from approved fee increases will continue to address \$240 million in identified maintenance needs of distribution system and water treatment plants; (2) Parking Services - Includes \$9.9 million to address maintenance needs in parking garages identified by the 2024 parking facility assessment; and (3) Stormwater - Maintenance and improvements to the City's stormwater infrastructure and end of life equipment replacement.

In response to Councilwoman Roney, Ms. Spangler said that there was a budget amendment to add the bonds to our budget and we are spending them now. Finance Director Tony McDowell also noted that the debt associated with those bonds will be in the future, which will include a tax increase that was originally scheduled to be this year, but we were able to delay that increase until the next budget cycle. It was also noted that the bond dashboard is up and running.

Mayor Manheimer opened the public hearing at 5:54 p.m.

Six individuals made comments regarding the budget, some being, but are not limited to: support for Police Department pay plan; request not to delay the implementation of the 4th Shift for firefighters; tax increase on landlords will be passed onto tenants; need to make sure that projects meet our own renewable energy goals; and need for every City employee to earn a living wage.

Mayor Manheimer closed the public hearing at 6:12 p.m.

Mayor Manheimer said that the consideration of adoption of the ordinance will be held on June 10, 2025.

Councilwoman Turner supported the funding for five additional firefighters in the next budget cycle to begin the 4th Shift.

Councilwoman Roney also supported the five additional firefighters in the next budget cycle. Her concern though is where we trim the budget for these new positions. She does not support cutting vacancies in other departments, but if the House and Senate agree to provide local government revenue replacement (House Bill 1012), and small business grants, that may help us and we may be able to amend our budget in the next couple of months.

In response to Councilwoman Ullman, Councilwoman Roney said that we previously funded, with ARPA funds, biohazard cleanup in our neighborhoods and we don't have a funding cycle for that now. She suggested we trim that project, noting that the cleaning still needs to be done, but perhaps finding another way to do it. .

B. PUBLIC HEARING TO CONSIDER REZONING 46 GREEN HILL AVENUE FROM COMMERCIAL INDUSTRIAL DISTRICT AND RS-8 RESIDENTIAL SINGLE-FAMILY HIGH DENSITY DISTRICT TO RS-8 RESIDENTIAL SINGLE-FAMILY HIGH DENSITY DISTRICT

ORDINANCE NO. 5137 - ORDINANCE TO REZONE 46 GREEN HILL AVENUE FROM COMMERCIAL INDUSTRIAL DISTRICT TO RS-8 RESIDENTIAL SINGLE-FAMILY HIGH DENSITY DISTRICT

Principal Planner Will Palmquist said that this is the consideration of an ordinance to rezone 46 Green Hill Ave from Commercial Industrial District and RS-8 Residential Single-Family High Density District and RS-8 Residential Single-Family High Density to RS-8 Residential Single-Family High Density District. This public hearing was advertised on May 16 and 23, 2025.

Project Location and Contacts:

- The rezoning petition consists of one property totalling 0.9 acres and located at 46 Green Hill Ave (PIN 9628-65-6479).
- Owner: Mountain Meadows Rentals LLC.

Summary of Petition:

- The applicant requests a rezoning of one property to the Residential Single-Family High Density (RS-8) district.
- The property is currently zoned Residential Single-Family High Density (RS-8) and Commercial Industrial (CI).
- Commercial Industrial (CI) district does not allow single-family detached dwellings as a permitted use.
- The property is currently vacant and was recently subdivided.
- The subject property is designated "Traditional Neighborhood" on the city's Future Land Use (FLU) Map. A change to the FLU Map is not required.

Staff Recommendation:

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

Comprehensive Plan Consistency:

- The proposed rezoning supports a number of goals in the Living Asheville Comprehensive Plan including:

- **Increase and Diversify the Housing Supply** - by promoting zoning policies to encourage more housing.
- **Celebrate the Unique Identity of Neighborhoods Through Creative Placemaking** - by continuing to support contextually appropriate infill development and a variety of housing types.
- The proposed rezoning is compatible with the Future Land Use designation of “Traditional Neighborhood” which is described, in part, that “The types of housing can vary and often include a mix of housing types such as single family with accessory dwelling units, duplexes, townhomes and multifamily apartments usually located seamlessly together”.
- Residential Single-Family High Density (RS-8) is cited as an appropriate zoning district within the “Traditional Neighborhood” Future Land Use category.

Compatibility Analysis:

- The purpose of the Residential Single-Family High Density (RS-8) district is, “to establish a high density per acre for single-family dwellings where public infrastructure is sufficient to support such development and to stabilize and protect the district's residential character in areas of existing high density single-family development while promoting a suitable environment for single-family living. Non-single-family development normally required to provide the basic elements of a balanced and attractive residential area is also permitted” (UDO Sec. 7-8-4).
- The proposed rezoning petition is compatible with the surrounding land uses, including:
 - Residential Single-Family High Density (RS-8) zoned property directly to the north and east of the subject property.
 - Commercial and light industrial uses located to the south and west of the subject property.

Council Goal(s):

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

Committee(s):

- Planning & Zoning Commission (PZC) - May 7, 2025 - Approved (Vote 6:0)

Pro(s):

- Allows for the development of single-family detached dwelling units on the entire subject property.

Con(s):

- Would not allow for the development of multi-family dwelling units.

UDO District Comparison

UDO Provision	Commercial Industrial (CI) Total City Area Zoned CI: 1,647 acres	Residential Single-Family High Density (RS-8) Site Area: 0.7 acres
Allowed uses:	<ul style="list-style-type: none"> • Duplex • Townhouse • Multi-Family • Accessory Dwelling Unit • Wide range of commercial and industrial uses 	<ul style="list-style-type: none"> • Single-Family Detached • Townhouse • Accessory Dwelling Unit • Cottage Development • Limited public, institutional, and recreational uses
Density:	8 units per acre	n/a

Structure Size:	n/a	n/a
Lot Size Minimum:	n/a	Min. 4,000 s.f.
Lot Width Minimum:	Min. 100'	Min. 40'
Building Height:	Max. 80'	Max. 40'
Building Setbacks:	Front: 35', Side: none, Rear: 10'	Front: 15', Side: 6', Rear: 15'

Mr. Palmquist reviewed the existing and proposed zoning, the aerial imagery, the future land use map and the existing future land use map. He said the Planning & Zoning Commission voted unanimously to approve the rezoning. He showed a chart of Commercial Industrial District vs. RS-8 District. He said the pro would be that it allows for the development of single-family detached dwelling units on the entire subject property. One con is that it would not allow for the development of multi-family dwelling units. He said the purpose of the Residential Single-Family High Density (RS-8) district is, "to establish a high density per acre for single-family dwellings where public infrastructure is sufficient to support such development and to stabilize and protect the district's residential character in areas of existing high density single-family development while promoting a suitable environment for single-family living. Non-single-family development normally required to provide the basic elements of a balanced and attractive residential area is also permitted" (UDO Sec. 7-8-4). The proposed rezoning petition is compatible with the surrounding land uses and zoning districts, including: (1) Residential Single-Family High Density (RS-8) zoned property directly to the north and east of the subject property; and (2) Commercial and light industrial uses located to the south and west of the subject property. He then explained how the project was consistent with the Living Asheville Comprehensive Plan. He said that staff concurs with the Planning & Zoning Commission and recommends approval of the proposed rezoning.

Councilwoman Turner said that on this .7 acre piece of property she is concerned that we are removing multi-family as an option.

Mayor Manheimer opened the public hearing at 6:26 p.m., and when no one spoke, she closed the public hearing at 6:26 p.m.

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

Vice-Mayor Mosley moved to approve the rezoning request for the property located at 46 Green Hill Avenue from Residential Single-Family High Density (RS-8) and Commercial Industrial (CI) to Residential Single-Family High Density (RS-8) and find that the request is reasonable, is in the public interest, is consistent with the city's comprehensive plan and meets the development needs of the community in that the request: 1) promotes zoning policies to encourage more housing; and, 2) supports contextually appropriate infill development and a variety of housing types. This motion was seconded by Councilman Hess and carried unanimously.

ORDINANCE BOOK NO. 35 – PAGE 199

V. UNFINISHED BUSINESS:

VI. NEW BUSINESS:

A. RESOLUTION NO. 25-120 - RESOLUTION APPROVING A REQUEST BY COMMONWEALTH DEVELOPMENT FOR AN ADDITIONAL \$607,000 IN HOUSING

TRUST FUND LOAN FUNDS WITH 2% INTEREST, DEFERRED PAYMENTS FOR A PERIOD OF 20 YEARS, FOR THE PURPOSE OF DEVELOPING AFFORDABLE HOUSING AT FAIRHAVEN SUMMIT AT 1 WAYMON BOULEVARD (3124/3130 SWEETEN CREEK ROAD)

Affordable Housing Officer Sasha Vrtunski said that this is the consideration of a resolution approving a request by Commonwealth Development for an additional \$607,000 in Housing Trust Fund loan funds with 2% interest, deferred payments for a period of 20 years, for the purpose of developing affordable housing at Fairhaven Summit at 1 Waymon Blvd. (3124/3130 Sweeten Creek Road).

Background

- Commonwealth Development Corporation is developing Fairhaven Summit, a Low Income Housing Tax Credit (LIHTC) project that was awarded 9% tax credits in 2022.
- The project is located at 1 Waymon Blvd. (formerly addressed as 3124/3130 Sweeten Creek Road), PIN 9655-33-2833.
- The project will have 77 total units affordable to families at 30%, 50%, 70%, and 80% of the area median income (AMI), with a 30-year affordability period.
- City Council previously awarded \$875,000 to the project - 1st request - April 25, 2023, \$500,000; 2nd request - December 12, 2023, \$375,000.
- City Council also approved a Land Use Incentive Grant for \$1,018,132 on December 12, 2023.
- The Commonwealth Development Corporation is requesting an additional \$607,000 to cover a funding gap created by several factors: a two-month delay in site work attributable to TS Helene, unforeseen soil conditions, and additional design changes required by NCHFA after the lending closed.
- The Housing Trust Fund currently has \$2.18 million available. Approval of this request will reduce the amount available by \$607,000, leaving a balance of approximately \$1.57 million.
- The total request of \$1,482,000 equals 6.09 % of the total development cost, under the Housing Trust Fund policy cap of 10% of total development costs.
- With the LUIG grant of \$1,018,132, the City's total support will be 10.27% of the project's cost.
- The subsidy per unit using Housing Trust Fund loans is \$19,247 per unit, and including the LUIG funding, \$32,470 per unit.
- The project is currently under construction and is slated for completion at the end of November 2025.

Proposal

- Commonwealth Development Corporation (CDC) of Middleton, WI, has requested an additional \$607,000 HTF loan for Fairhaven Summit, for a total amount of \$1,482,000 in HTF loans.
- The total loan will have a 20-year term; payments are deferred, but 2% interest compounds annually.

Units by Income and Bedrooms

Income Served	No. of Units	Bedroom Counts	Notes
30% AMI	20	3 - 1 bdrm; 7- 2-bdrm; 10 - 3 bdrm	Project-Based Vouchers
50% AMI	9	2 - 1 bdrm; 2 - 2-bdrm; 5 - 3 bdrm	KEY program - serving low-income residents with disabilities
70% AMI	32	5 - 1 bdrm; 10- 2-bdrm; 17 - 3 bdrm	

80% AMI	16	2 - 1 bdrm; 6- 2-bdrm; 8 - 3 bdrm	
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Project Financing

Source	Amount	Percentage of Total Development Costs	Per unit
1st Permanent Mortgage	10,440,000	42.89%	135,584
Buncombe County	1,235,000	5.07%	16,039
Asheville HTF (<i>\$875k prev loan+\$607k new loan</i>)	1,482,000	6.09%	19,247
HOME funds	400,000	1.64%	5,195
LIHTC Equity	10,006,766	41.11%	129,958
Refund Rate Lock Deposit	120,060	0.49%	1,559
Deferred Developer Fee	659,722	2.71%	8,568
Total	<u>\$24,343,548</u>	<u>100%</u>	

Housing Trust Fund Policy Compliance

- The total request of \$1,482,000 equals 6.09 % of the total development cost, which is under the policy cap of 10% of total development costs.
- Both superordinate lenders are providing more funding than HTF.

Pro(s):

- This funding will ensure that this project crosses the finish line and can open in November 2025.
- The project will support the construction of 77 affordable apartments for families with an affordability period of 30 years.
- The project subsidy is \$19,247 per unit, based on the full \$1,482,000 request. With the LUIG grant of \$1,018,132, the City's total support will be 10.27% of the project's cost.
- This project aligns with the City of Asheville's Consolidated Plan goals of prioritizing rental housing affordable to 60% AMI and below.

Con(s):

- None noted.

Fiscal Impact:

- There is currently \$2.18 million available in the Housing Trust Fund. Approval of this request will reduce the amount available in the Housing Trust Fund by \$607,000, and the balance will be approximately \$1.57 million.

Staff Recommendation:

Staff recommends approval of the additional loan of \$607,000 with a 20-year maturity; payments deferred, but 2% interest compounds annually; based on the following:

- Construction of 77 new affordable units for various incomes, from 30% AMI to 80% AMI.

- Supports families with a mix of one, two, and three-bedroom units.
- Twenty units will be set aside for project-based vouchers, and eleven (11) units will utilize the KEY program for low-income residents with disabilities who need supportive services.
- The requested City of Asheville HTF loan will comprise 6.1% of total development cost, well below the 10% cap.
- Adding in the LUIG grant approved in 2023, the City's portion of the project is at 10.3%, which is reasonable given the rise in costs and impacts of TS Helene.

Ms. Vrtunski said that the following are the key takeaways from her presentation: (1) Council funded this project as a part of the FY23-24 Housing Trust Fund cycle and approved \$500,000 on April 25, 2023 and \$375,000 in December 2023; (2) The project is 100% affordable and includes 77 units, with a mix of incomes (30%, 50%, 70% and 80% AMI), averaging 60% AMI and below; (3) Commonwealth Development Corp is requesting an additional \$607,000 for their Low Income Housing Tax Credit (LIHTC) project on Sweeten Creek Road; (4) The additional funds are needed to cover the gap created by several factors including a 2 month delay due to TS Helene, and additional design changes required by NC Housing Finance Agency; (5) HCD recommended approval of this funding request, 3-0; and (6) Staff recommends approval by City Council. She then gave a brief description of Fairhaven Summit as follows: **Project Description:** 77 units serving families on Sweeten Creek Road; **Project Type:** Rental apartments, 9% LIHTC development (NCHFA 2021 award); **Developer:** Commonwealth Development Corporation; **Previous Approvals:** \$500,000 in April 2023, \$375,000 in December 2023, \$1,018,132 LUIG grant approval in December 2023; **Request:** \$607,000 in additional HTF financing for a total HTF contribution of **\$1,482,000**; and **Loan Terms:** 20-year maturity; payments deferred, but 2% interest compounds annually

She then reviewed the units by bedroom and income chart below:.

Incomes Served	No. Of Units	Bedroom Counts	Notes
30% AMI	20	3 - 1 bdrm: 7 - 2 bdrm; 10 - 3 bdrm	Project Based Vouchers
50% AMI	9	2- 1 bdrm: 2 - 2 bdrm; 5 - 3 bdrm	KEY Program - serving low income residents with disabilities
70% AMI	32	5 - 1 bdrm: 10 - 2 bdrm; 17 - 3 bdrm	
80% AMI	16	2 - 1 bdrm: 6 - 2 bdrm; 8 - 3 bdrm	

The project financing is as follows:

Source	Amount	Percentage of Total Development Costs	Per unit
1st Permanent Mortgage	\$10,440,000	42.89%	135,584
Buncombe County	1,235,000	5.07%	16,039

Asheville HTF (\$875K prev loan+\$607K new loan)	1,482,000	6.09%	19,247
HOME funds	400,000	1.64%	5,195
LIHTC Equity	10,006,766	41.11%	129,958
Refund Rate Lock Deposit	120,060	0.49%	1,559
Deferred Developer Fee	659,722	2.71%	8,568
Total	<u>\$24,343,548</u>	<u>100%</u>	

Staff recommends approval based on the following: (1) Construction of 77 new affordable units for a range of incomes - from 30% AMI to 80% AMI; (2) Supports families with a mix of one, two, and three-bedroom units; (3) Twenty units will be set aside for project-based vouchers and eleven (11) units will utilize the KEY program for low income residents with disabilities who are in need of supportive services; (4) The requested City of Asheville HTF loan will comprise 6.1% of total development cost, well below the 10% cap; and (5) Adding in the LUIG grant approved in 2023, the City's portion of the project is at 10.3%, which is reasonable given the rise in costs and impacts of TS Helene.

Mayor Manheimer noted that it is incredibly costly to underwrite affordable housing.

In response to Councilwoman Roney, a representative from Commonwealth Development said that they are building to an Energy Star requirement rating. It's a 100% electric project, so it is set up where we could incorporate solar or renewable energy into the project in the future.

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

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

Councilwoman Roney moved to approve Commonwealth Development's request for an additional Housing Trust Fund loan of \$607,000 to construct 77 new affordable apartments. This motion was seconded by Councilwoman Turner and carried unanimously.

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VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Several individuals spoke to City Council about various matters, some being, but are not limited to: deterioration of Asheville is caused by many years of continuous poor leadership and representation by locals for natives of Asheville; and request for continued support for alternative design of the I-26 Connector Project.

Closed Session

At 7:06 p.m., Councilman Hess moved to go into closed session for the following reasons: (1) to prevent disclosure of information that is privileged and confidential, pursuant to the laws of North Carolina, or not considered a public record within the meaning of Chapter 132 of the General Statutes. The law that makes the information privileged and confidential is N.C.G.S. 143-318.10(a)(1). The statutory authorization is contained in N.C.G.S. 143-318.10 (e); and (2) To consult with an attorney employed by the City about matters with respect to which the attorney-client privilege between the City and its attorney must be preserved, including, but not limited to, providing instruction to an attorney concerning the handling of a claim. The statutory authorization is contained in N.C. Gen. Stat. § 143-318.11(a)(3). This motion was seconded by Councilwoman Ullman and carried unanimously.

At 8:09 p.m., Councilwoman Ullman moved to come out of closed session. This motion was seconded by Councilman Hess and carried unanimously.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 8:09 p.m.

CITY CLERK

MAYOR