



Budget Worksession Agenda

Asheville City Council Worksession
March 22, 2016, 3:00 p.m. First Floor meeting room

- I. Introduction and Context
 - a. CIP Budget
Brief discussion of the Capital Improvement Program (CIP), the current cash flows and flexibility.
 - b. Operating Budget
Brief discussion of revenue forecast, expenditures and economic climate.

- II. Issues and discussion
 - a. New Vehicle License Fee
Options and use of the fee revenue.
 - b. Affordable Housing
Context and commitments, proposals and dedicated funding.
 - c. Fire CIP and Operations
Discussion about AFD operations and proposed CIP.

- III. Information Sharing
 - a. Thomas Wolfe Report

Issue Statement

ISSUE: Motor Vehicle Use Tax

Background & Budget

During the 2015 Legislative session, the North Carolina General Assembly granted municipalities the authority to increase the annual motor vehicle license fee up to a maximum rate of \$30. The City of Asheville currently charges its residents a \$10 annual fee, with half of the revenue from the fee going to support transit operations and the other half going to support general fund departmental operations.

The legislation adopted by the General Assembly stipulated that the additional revenue from any increases above the current \$10 fee must be used for street maintenance.

Staff recommended, and the Finance Committee concurred, that the fee be increased to the \$30 maximum, which will generate \$1.4 million in additional restricted revenue.

There are several revenue streams in the General Fund that are exclusive to certain uses. In the case of Streets, there are Powell Bill funds. Powell Bill funds are more flexible than the revenue that the City will receive from the increased motor vehicle license fee. This new revenue stream allows administrative (not allowed under Powell Bill), and preventative maintenance only. With these two revenue streams restricted to streets spending, it is important that a breakdown of the expenditures that would be allocated under these two state programs.

Total streets budgeted spending is \$3,229,644, with likely actual expenditure of 95%, or \$3,068,162. Powell Bill funding is based on actual expenditures and is reimbursed after the close of each fiscal year. The vehicle license fee, because it is also restricted for use, must be linked to the actual expenditures in the City's Comprehensive Annual Financial Report (CAFR).

<i>Funding Source</i>	<i>Total Available Funds</i>		<i>Actual Expenditures Allocated</i>		<i>Remaining Restricted Revenue</i>	
	<i>Available</i>	<i>Funds</i>	<i>Expenditures</i>	<i>Allocated</i>	<i>Restricted</i>	<i>Revenue</i>
<i>Powell Bill</i>	\$2,475,000		\$2,475,000		0	
<i>Vehicle License Fee Increase</i>	1,400,000		593,162		806,838	
<i>Total</i>	\$3,875,000		\$3,068,162		806,838	

In order to be in compliance with the requirements, an additional \$800,000 will have to be spent on streets. However, because the new revenue stream is \$1,400,000, there remains \$600,000 to be allocated according to other needs of the City, including additional needs on street maintenance.

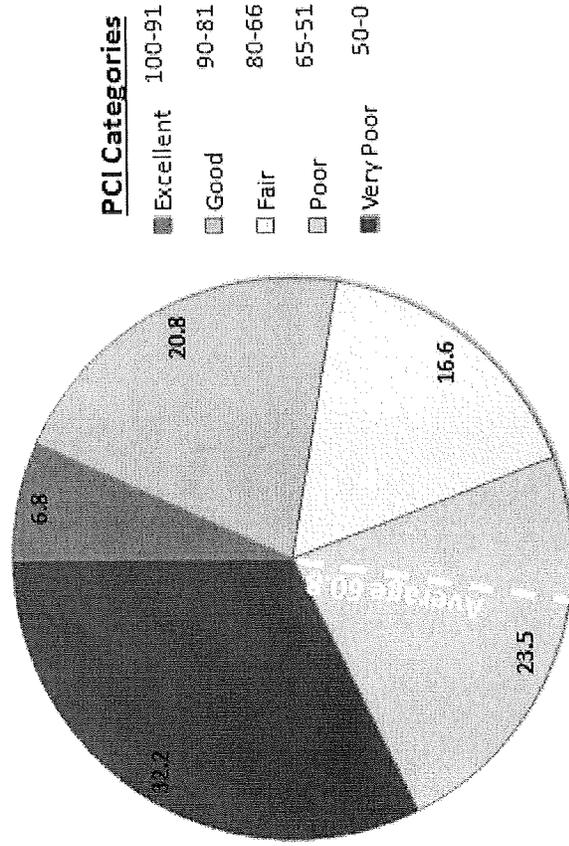
Ongoing and Upcoming Issues and Commitments

The City recently updated an assessment of the conditions of city maintained streets. This assessment, called a Payment Condition Index (PCI) evaluates each street in the City and assigns it a value, based on a scale of 0 to 100 with 0 being the worst and 100 being the best. The City's average was 60.8. For context, the table shows the PCI average for a few other North Carolina cities.

Municipality	Miles	PCI
Apex	280	83
Asheville	405	60.8
Burlington	530	87
Chapel Hill	340	80
Salisbury	345	84

The pie chart shows the percentage distribution of streets from very poor (0-50), poor (51-65), fair (66-80), good (81-90) and excellent (91-100). 55.7% of the City's streets are rated "poor" or "very poor."

City of Asheville PCI Categories as a Percent of the System



Fiscal Impact and Decision Points

The \$1.4 million can be structured in a number of ways. \$800,000 must go to street maintenance or new construction; however, the funds could be used to supplement the existing streets operating budget or a portion of the funds could be used as debt service if the City were to issue Limited Obligation Bonds for streets. Any amount from \$800,000 to the full \$1.4 million could be dedicated to streets; however, the funding structure discussed above allows for \$600,000 in flexible-use funds.

If \$800,000 is dedicated annually to streets resurfacing through the operating budget, an additional 1.7 miles of roadway could be resurfaced annually at a cost of \$480,000 per mile.

If part of the funding was used to issue bonds, the table below shows the amount of debt issued, the estimated debt service per year, and the funds remaining that would be restricted to streets spending and the funds that would be flexible.¹

Issue Amount	Annual Debt Service	Remaining		Resurfacing Miles
		Funding (Streets restricted)	Non-Restricted Funds Remaining	
\$ 4,000,000	\$ 400,000	\$ 400,000	\$ 600,000	8.3
8,000,000	800,000	-	600,000	16.7
\$ 14,000,000	\$ 1,400,000	\$ -	\$ -	29.2

Whatever the structure, the additional funds will have a positive impact on the condition of Asheville’s streets.

Important to consider when evaluating the use of the flexible funds the legislative climate around State funds for municipal streets. Powell Bill funds, currently at \$2.5 million, have remained steady for several years; however, there is discussion that these funds may not be available much longer. Staff does not expect that Powell Bill funding will be cut in the 2016 Legislative Session, but there is talk that they could be reduced or cut out altogether in the next few years. If the City loses Powell Bill funding for streets, 65% of the operating budget for streets would have to be made up through other revenues or service cuts. Given this uncertainty, staff recommends that any flexible funds not dedicate to streets be spent on one-time initiatives or purchases. This allows that flexible revenue to be available should Powell Bill funds cease to be a funding option.

¹ Annual debt service is assumed at 10% of the total debt issue.

Issue Statement

ISSUE: Transportation Department, Transit service priorities.

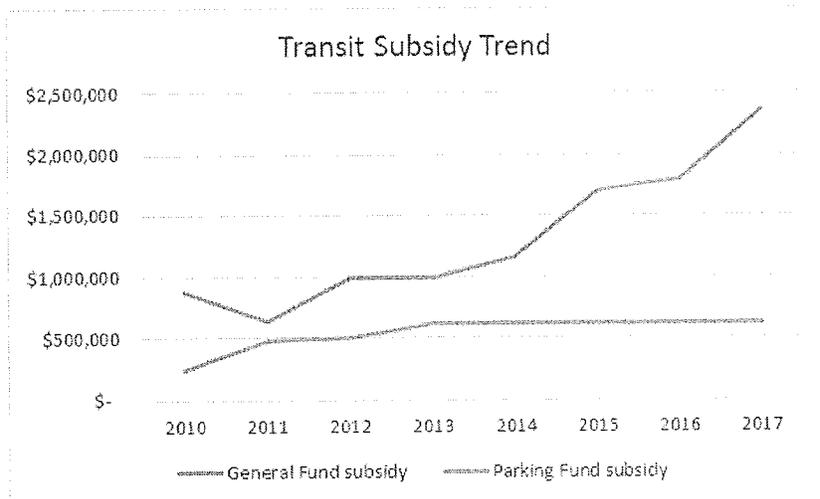
Background & Budget

The City of Asheville (City), which currently provides transit services through a third party contractor, is currently evaluating contracting options. Transit services are funded through multiple sources: Federal and State grants, fare revenue, the existing motor vehicle license fee and other sources. Over the last several years, grant funding has become stagnant and a less reliable source of revenue. The cost of providing the service has increased, while revenue streams have not. Below is the funding model currently in place for transit.

ART (Transit) / Funding Source History

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2017 Proposed
Funding Source:								
Grant Funding:								
Federal	\$ 1,704,550	\$ 1,428,448	\$ 1,677,472	\$ 1,959,549	\$ 1,605,681	\$ 1,765,860	\$ 2,002,000	\$ 1,922,000
State	1,343,961	1,352,518	744,179	640,085	614,558	575,799	507,500	507,500
Total Grant Funding	\$ 3,048,510	\$ 2,780,966	\$ 2,421,651	\$ 2,599,634	\$ 2,220,239	\$ 2,341,659	\$ 2,509,500	\$ 2,429,500
Parking Fund subsidy	\$ 248,116	\$ 484,000	\$ 500,000	\$ 616,875	\$ 616,875	\$ 616,875	\$ 616,875	\$ 616,875
General Fund subsidy	\$ 872,831	\$ 642,196	\$ 985,295	\$ 985,295	\$ 1,157,502	\$ 1,700,546	\$ 1,790,117	\$ 2,359,086
Fare & other operating revenue	\$ 831,063	\$ 972,892	\$ 862,916	\$ 856,237	\$ 985,339	\$ 872,827	\$ 810,000	\$ 840,000
Motor Vehicle License	\$ 313,863	\$ 300,715	\$ 312,874	\$ 318,605	\$ 425,508	\$ 350,399	\$ 360,000	\$ 360,000
Pass Through	\$ -	\$ 161,051	\$ 419,967	\$ 223,676	\$ 268,458	\$ 320,006	\$ 553,500	\$ 553,500
Total Revenue	\$5,314,384	\$5,341,820	\$5,502,704	\$5,600,322	\$5,673,921	\$6,202,312	\$6,639,992	\$7,158,961

Transit is subsidized by the City through both the General Fund and the Parking Fund. The subsidy trend is illustrated below.



Ongoing and Upcoming Issues and Commitments

Additional routes, improvements to existing routes and other service enhancements are, of necessity, funded through the General Fund as part of the taxpayer subsidization of the system. The following service enhancements and capital improvements have been implemented based on the recommendations contained in the Transit Master Plan (Plan), which was adopted by City Council in 2009.

ENHANCEMENT/ IMPROVEMENT	IMPLEMENTED
Fare increase, to bring fares closer to the national media	2011
Elimination of route deviations and buses going through parking lots	2011
Branding and marketing materials	2012
Route restructuring, with complete overhaul of the transit routes to achieve greater frequency on transit corridors and to reduce inefficiencies	2012
E1 additional service	2012
Shelter installation	2013 to date
Holiday Service	2013
Sunday Service	2015

Fiscal Impact and Decision Points

The next set of priorities, ranked by the Transit Committee and endorsed by the Multimodal Transportation Commission during the budget process in 2015, are:

PRIORITY	COST	RANK
Addition of one bus on S3 to the airport. This change will also allow providing service to Long Shoals Rd and possibly to MAHEC. In order to provide one hour frequency on the corridor, from the current 1 ½, the travel time will increase to two hours. This change will serve an area of great expansion and development, such as Hendersonville Rd, and Long Shoals Rd.	\$384,000	#1
Extension of S4 to Biltmore Village. Currently S4 goes to Ab-Tech; this will require increasing the bus service to one hour (it is currently 30 minute trip). Due to the way the routes are currently paired, the increased frequency on S4 will allow extending W3 to the Enka-Candler area, which is another priority in the Transit Master Plan. This change will benefit the College, the neighborhood and health facilities, creating connections between to vibrant areas, such as Biltmore Village and Downtown.	\$215,000	#2
Extended hours (8 hours between morning and night, depending on ridership). This increase in service will benefit mostly the workers that need earlier or later rides.	\$250,000	#3
City Transportation Planner Position	\$73,000	N/A
Transit Master Plan Update (one-time cost, funded in 2016-17)	\$120,000	N/A

All these services proposed above can be provided with the existing fleet. The additional position, while not in the Transit Master Plan, is supported by the MMTC.

It is important to note that these proposed improvements represent ongoing operational costs and must be included in long-range operating analyses of the General Fund and Parking Fund, as well as the Transit Services Fund.

Issue Statement

ISSUE: Affordable Housing

Background & Budget

There is dedicated funding in the existing five-year CIP plan for affordable housing. The funding, 2016 – 2020 is as follows:

2016: \$ 750,000¹
2017: -0-
2018: \$2,000,000
2019: -0-
2020: \$2,000,000

Additionally, there is a dedicated revenue stream within the General Fund operating budget for the Housing Trust Fund of \$500,000 per year.

In light of Council's stated goal of directly assisting in the creation of 2,800 affordable housing units in seven years², the Economic and Community Development Department provided a model with estimates of what might be the available resources for the City to dedicate for assistance in building those units. 1,500 of those units were projected to be directly assisted by the City with Home Investment Partnerships (HOME), Community Development Block Grants (CDBG), Housing Trust Fund, the City's Capital Improvement Program (CIP) and Land Use Incentive Grants (LUIG).

If the average City investment per created unit is \$20,000, the total needed from all sources would be \$30 million. However, the City's investment to date has been somewhat less per unit³ coming to approximately \$17,900/unit. If the federal funds are removed from the equation, the City's documented investment to date would be \$11,000/unit. That amount times the 1,500 units would mean a necessary investment of \$16 million.

Projected sources of funds:

	HTF	CIP	Fee Rebate	LUIG	Total
2016	\$ 600,000	\$ 50,000	\$ 30,000	\$ -	\$ 680,000
2017	600,000	-	30,000	100,000	730,000
2018	600,000	2,000,000	30,000	200,000	2,830,000
2019	600,000	-	30,000	200,000	830,000
2020	600,000	2,000,000	30,000	200,000	2,830,000
2021	600,000	-	30,000	200,000	830,000
2022	600,000	2,000,000	30,000	200,000	2,830,000
	<u>\$ 4,200,000</u>	<u>\$ 6,050,000</u>	<u>\$ 210,000</u>	<u>\$ 1,100,000</u>	<u>\$ 11,560,000</u>

¹ The allocations in 2015 and 2016 were both originally planned to be \$500,000. However, because only \$250,000 of the \$500,000 was spent in FY 2015, the remaining allocation was rolled into FY 2016.

² City Council Resolution 15-118: Resolution to Establish Goals for the Production of Affordable Housing Production Goals. May 26, 2015.

³ Excluding Eagle Market Place, 157,775/unit (Non-Federal funds)

Based upon that projection, the shortfall is \$4.5 million. If the City's commitment goal per unit is increased, the shortfall increases unless new funds are identified and dedicated to this purpose.

Ongoing and Upcoming Issues and Commitments

Eagle Market Place

There remains in place a commitment to provide funding to the Eagle Market Street project. These funds are already in place and dedicated to the project. The breakdown of all funding committed to the Eagle Market Place project is as follows:

Residential Commitments Summary

Program	Amount All Funds	Amount Non-Federal
Urban Redevelopment Loan	\$ 3,867,618	\$ 3,867,618
Housing Trust Fund Loan	800,000	800,000
HOME	462,600	
CDBG- Purchase of Block, 2001	356,619	
CDBG- Planning Grant, 2009	50,000	
Kimley Horn	65,034	65,034
TOTALS	5,601,871	4,732,652

Per Unit Funding	Amount All Funds	Amount Non-Federal
60 Affordable Units	93,365	78,878
30 Affordable Units	186,729	157,755

Additional Commitment	Amount All Funds	Amount Non-Federal
Section 108 Loan	718,000	263,000
(for commercial development)		
TOTAL PROJECT FUNDING	\$ 6,319,871	\$ 4,995,652

The balance of the Urban Redevelopment Loan, \$2,867,618, will be disbursed at 50% of completion.

\$718,000 of Section 108 Funds were initially committed to the project. Per the initial agreement, \$218,000 will be disbursed at or no later than 10 days past the construction closing date, \$50,000 by July 26, 2016, and the balance of \$450,000 when the certificate of occupancy is issued.

No recommencement date has been established since the concrete failure last year. The abovementioned deadlines will be reestablished with recommencement of construction. Staff will keep Council apprised of updates and changes.

Parks Maintenance Relocation (Hilliard and Clingman)

The \$250,000 that was rolled forward from the 2015 affordable housing allocation in the CIP has been dedicated to the Parks Maintenance relocation this year. The Parks Maintenance relocation is underway; an RFP is expected to be issued mid-April. The move is expected to be complete by January 1, 2017, freeing the property for redevelopment. Staff assumes that a discounted value on the sale or lease of the property will be the incentive for a developer to construct affordable housing on the site.

Lee Walker Heights

. The Housing Authority of the City of Asheville (HACA) has stated that it will seek a commitment of \$4,250,000 for Phase 1 and 2.⁴ A City commitment for this amount of funding potentially would require the dedication of multiple funding sources, and limit funding for other affordable housing projects.⁵ The City would also take out HUD Section 108 loans, which would be paid back with the City's existing annual CDBG allocation. It is important to note that HACA and Mountain Housing Opportunities (MHO) have stated that it will approach the City with an additional request for funding if or when the project moves into later phases on the Matthews Ford property. The additional request would likely mirror the \$20,000/unit ask for Phases 1 and 2, adding approximately \$2,000,000 to the total cost for the City.

Land Banking & City-Owned Property

The Council has expressed an interest in land banking as a strategy to address locations for affordable housing. Staff is working on a full analysis of all existing City property as well as evaluating other available property. Currently, there is one property not owned by the City under consideration, with a market value of +/- \$500,000.

Among City-owned property, staff is specifically evaluating the following:

- 16 A., West Asheville, current P&S Asheville Area Habitat for Humanity
- Asheland Avenue, under review for possible rezoning
- Land banking, which could include site prep and other considerations as incentives for affordable housing.

Fiscal Impact and Decision Points

While some existing affordable housing projects are fully funded, other proposals are partially funded or entirely unfunded.

Parks Maintenance Relocation

The Parks Maintenance relocation is underway. As mentioned above, there is funding in place in the CIP for the move and demolition of the existing structures.

Considerations and Impacts:

- 1) In order to ensure that the site is developed as affordable housing, the City will need to determine the type and level of incentive for the developer, whether in rebates, a reduction in the price of the land, or some other form of incentive.
- 2) Parks Maintenance will be relocated to the Armory. This is a temporary solution; a more suitable, permanent location will have to be identified and developed/built in the future.

Lee Walker Heights

The Lee Walker Heights project, which is currently before the City Council, involves the following key considerations and impacts related to funding.

Considerations and Impacts:

- 1) The City would take out HUD Section 108 loans in order to dedicate the additional funding needed for the project.

⁴ Phase 1 and 2 comprise 212 units on the current Lee Walker Heights footprint. (\$20,000/unit)

⁵ Multi-year funding from CDBG, HOME, the City's CIP, and Housing Trust fund would be committed to the project.

- 2) Section 108 loans are 20-year loans. While the CDBG funds can be committed for repayment, should the Federal government end the CDBG program, repayment of the loan would remain an obligation of the City.
- 3) Less funding would be available for distribution to the CDBG subrecipient organizations. This lower level of funding would continue for the 20-year term of the loan. It is possible that organizations not receiving CDBG would approach the City in another forum to obtain funding.
- 4) In order to finance Lee Walker Heights, funds would be combined from multiple sources. These funds would not be available to be used toward the Council goal of 2,800 units in seven years. Assuming a City contribution of \$11,000/unit for the remaining goal units (not including Lee Walker Heights at \$20,000/unit), the shortfall in the funding toward that goal would increase from the currently identified \$4.5 million.
- 5) Funding for land banking and the development of existing City-owned property for affordable housing would be limited.

Land Banking & City-Owned Property

Redevelopment of existing City properties may require moving City operations to alternative locations (as is the case with the Parks Maintenance property). This undertaking is both time-consuming and expensive, as property is purchased and configured to allow operations to continue. The funding for such an undertaking would need to be developed as part of a multi-year strategy.

Other Considerations

There are cities in North Carolina that have issued bonds for affordable housing. These bonds were authorized through bond referenda, voted on by the citizens to increase the City property tax rate in order to dedicate funding to the debt service. As an option for City Council consideration, it is important to note that the process is not an expedient source of funds and requires considerable planning and public engagement. Should the Council wish to pursue the possibility of a bond referendum, staff would begin working toward a November 2018 ballot.

Issue Statement

ISSUE: Asheville Fire Department, Operating and Capital Needs

Background & Budget

In Fiscal Year 2015-2016, the City of Asheville Fire Department (Fire Department) employs 260 people and operates twelve stations with a budget of more than \$21 million per year, which represents approximately 20% of total General Government spending.

The AFD budget for the last three years is below.

	2013-14	2014-15	2015-16
	Actual	Actual	Budget
Expenditures:			
Salaries & Wages	13,216,848	13,783,498	13,838,837
Fringe Benefits	4,603,277	5,263,937	5,021,434
Operating Costs	2,695,053	2,777,278	2,482,906
Capital Outlay	<u>0</u>	<u>9,731</u>	<u>0</u>
Total	20,515,178	21,834,444	21,343,177
FTE Positions	257.75	257.75	260.75

Ongoing and Upcoming Issues and Commitments

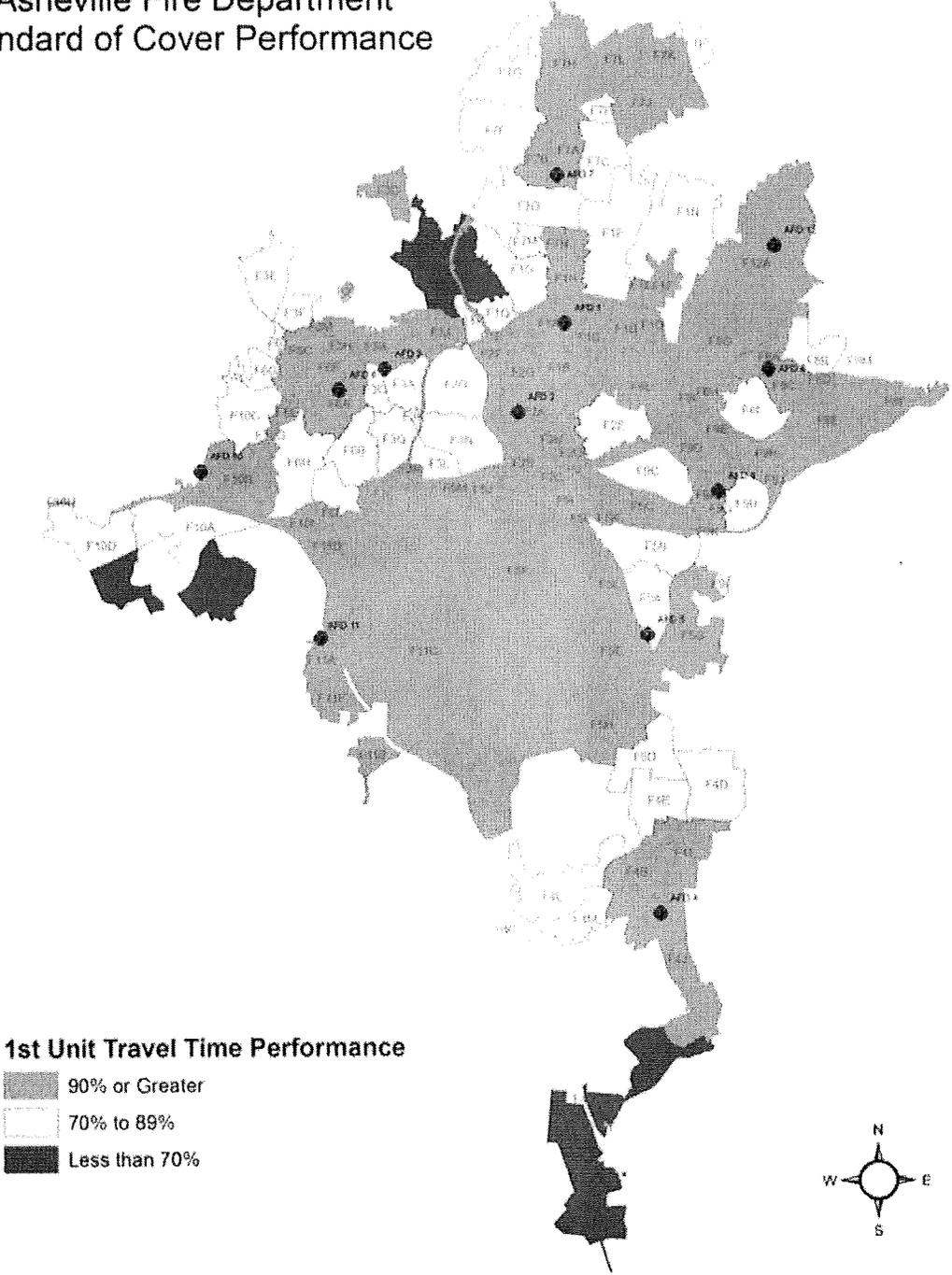
The Fire Department has an adopted Standard of Cover that states the first unit will arrive within 5 minutes 12 seconds, 90% of the time or better – a recommended standard response time for the first unit in metro and urban areas by the International Fire Chiefs Association (IFCA), Center for Public Safety Excellence (CPSE) and the Commission on Fire Accreditation International (CFAI).¹ These standard of cover recommendations are based on population and/or density. “Urban” is defined as a total population of more than 30,000 and/or density of more than 2000 per square mile. As population density decreases below 2000 per square mile, the recommended response time varies from 6 minutes, 30 seconds for “suburban” (1000 to 2000 population per square mile) to 13 minutes for “rural” (less than 1000 population per square mile.) Coverage can be mapped to show varying area types within a total coverage area.² Attached is a training presentation by the CPSE with details about methodology and application of standards. (Appendix)

¹ IAFC.org; Center for Public Safety Excellence (CPSE) presentation
http://www.iafc.org/associations/4685/files/downloads/CONFERENCES/FRI/FRI10/FRI10_spkrSeminar33-StandardsOfCoverBasic.pdf, 6-7.

² IAFC.org; Center for Public Safety Excellence (CPSE) presentation
http://www.iafc.org/associations/4685/files/downloads/CONFERENCES/FRI/FRI10/FRI10_spkrSeminar33-StandardsOfCoverBasic.pdf, 70-78. (APPENDIX)

As stated above, the City of Asheville adopted an urban standard of coverage of 5 minutes and 12 seconds for the entire City. The standard of coverage is an important metric for achieving positive outcomes in emergencies. The map below shows areas of the city that do not currently meet the urban area adopted standard.

Asheville Fire Department Standard of Cover Performance



In FY 2013-14, the City purchased a parcel of land at the Five Points intersection north of downtown for the purpose of building an additional fire station. This new station would (a) help to bring the response time in the highlighted north Asheville areas within the adopted urban standard of cover; and (b) add coverage in the Central Business District - the City's area of highest risk and service demand.

It is important to note that the same rate of first unit response time can be seen in the south Asheville area highlighted above. While there is not a current proposal for a new station in that area, continued adherence to an urban response time model would make the south area the next logical location unless the City can identify alternatives that can help address response times and maximize outcomes.

Fiscal Impact and Decision Points

- The City Council adopted budget for FY 2015-16 includes an allocation of funds for the design of a fire station on the north side.
- Construction costs are projected to be \$2.7 Million; an amount in the CIP plan for FY 2016-17.
- Purchase of a fire engine to operate out of the station is projected to be \$600,000 and is currently planned for FY 2017 in the CIP plan
- Initial operational costs are projected to be an annual re-occurring expense of \$750,000 for personnel to staff the station and are currently planned to begin in FY 2018.

The City has an opportunity to apply for a federal staffing grant offered through the Department of Homeland Security which provides 100% of the salaries and benefits for additional personnel for a two year period. There is no match and there is no obligation to continue funding these positions once the grant term has ended. If the City is awarded this grant, the funds could be utilized to fund additional firefighters to reduce the costs of overtime or to staff the newly built firehouse north of the downtown for the first two years.

While the grant, if received³, would provide funding for two years, the operating impact going forward would begin at approximately \$750,000 and increase annually with cost of living, inflation, etc. Though there is no obligation to continue funding any program that the grant covers, it is unrealistic to imagine that the City could receive a grant, fund the positions for two years under the grant, and then close the station with the expiration of the grant. Instead, the City would be faced with a \$750,000 ongoing budget shortfall - which is the equivalent of .76¢ on the property tax rate.

There are a few options to address the operating budget impact of adding another station:

- 1) Evaluate the plan and consider less expensive alternatives.
 - a. This strategy would likely necessitate an outside consultant to make a comprehensive assessment and recommendations.
- 2) Complete a full evaluation of the Fire Department's operating budget to determine internal savings opportunities within the existing funding structure.
 - a. Staff is recommending the addition of a Financial Analyst in the Finance and Management Services Department which would be dedicated to the Fire Department

³ The Department of Homeland Security staffing grants are highly competitive grants sought after by fire departments nationwide.

full time. This would allow the Budget Office and Fire Department to work together to manage the existing budget to its greatest potential.

- b. This strategy might also benefit from an outside consultant study.
- 3) Determine service cuts throughout the organization in order to fund the shortfall.
- a. This strategy would make available the funding at the expense of services throughout the General Fund, including but not limited to Development Services, Public Works, Parks & Recreation and the internal services. This approach could have a negative effect on programs and services.
- 4) Move forward and increase the property tax rate by .76¢ either at the time of the expiration of the grant or the initial staffing of the station.
- a. Revaluation may influence this option; the County will complete a full revaluation in FY 2017, which may result in growth in the tax base.
 - b. Staff recommends evaluating the existing budget and operations before considering a tax rate increase for the citizens.

There are other significant public safety need for the City. The Asheville Police Department (APD) plans to seek ongoing funding of approximately \$1,000,000 to establish a downtown district which would encompass the Central Business District (CBD), South Slope and River Arts District (RAD). This proposal is not included in the 2016-17 budget, APD intended to bring the request forward for budget year 2017-18. Like the additional fire station staffing, this significant expansion of service would require planning and the evaluation of options including those listed above for the Fire Department request.

Report: Thomas Wolfe Auditorium Facility Repairs & Renovation

Constructed in 1939 as a federal Public Works project, the Thomas Wolfe Auditorium (TWA) served as Western North Carolina's largest public assembly facility for 35 years. In 1974, after construction of the adjacent Asheville Civic Center, the Auditorium underwent a fairly large but cosmetic renovation. During the renovation, all 2,431 seats were replaced or added, the flat floor was given a slope, a small concession stand was built, two restrooms were added and new HVAC units & ductwork was installed. Throughout the following 40 years, small upgrades were made periodically as Federal Law dictated or as damage required. An ADA compliant ramp was installed in 1990, small area paint in some locations throughout the 2000's and in 2014 a new roof membrane was installed. Most back of house systems are still original installation.

City Council, staff and the larger community have had discussions for many years about a major renovation of the Thomas Wolfe with a goal of extending the usable life of one of Western Carolina's great public gathering spaces. Renovations to the facility would ideally extend the usable life of the facility for the local community another 40 years and make the facility more competitive in the regional and national touring event market. Most recently, a team of structural engineers and a renowned acoustical engineering firm analyzed the facility with regard to acoustics and structural capacity. The goal of this assistance was to determine what adjustments should be made to the facility to improve acoustical performance for both non-amplified events (Asheville Symphony) as well as amplified audio touring productions, then reviewing the structural capabilities of the facility to ensure any necessary acoustical changes would not affect the structural integrity of the building. The review performed by this team determined that the TWA can be modified to provide a high level of acoustical performance and all requested or required changes would not negatively affect the structural integrity of the building. Additionally a broad overview pricing estimate accompanied the review with a total estimated project cost of \$14 million; however, allowing for inflation for construction in years after 2018, between \$20-55 million is likely, dependent on elected levels of improvements. Of this amount \$8 million would address deferred maintenance; mechanical systems (plumbing, HVAC & electrical,) cracking/falling ceiling plaster and the exterior envelope.

An economic impact study performed in the mid-2000's placed a \$20 Million annual economic impact in the downtown area from the total complex. There has been work from a private group exploring the ability to develop a new purpose built facility in a different location.

Currently, staff is working to update the economic impact of the facility to the Central Business District (CBD), and to assess the community's interest in preserving and renovating the facility in its current location. Many of the common area improvements associated with the arena renovation have benefited the TWA, including box office, lobby and atrium, concessions, restrooms, and meeting spaces. As with the arena, the City cannot be the majority funder of a project of this size. Multiple partnerships will need to be formed with both public and private entities if a decision is made to preserve and renovate TWA.