, Tuesday – May 17, 2016 - 5:00 p.m.

Regular Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor Gwen C. Wisler; Councilman Cecil Bothwell; Councilman Brian D. Haynes; Councilwoman Julie V. Mayfield; Councilman Gordon D. Smith; Councilman W. Keith Young; City Manager Gary W. Jackson; City Attorney Robin T. Currin; and City Clerk Magdalen Burleson

Absent: None

PLEDGE OF ALLEGIANCE

Mayor Manheimer led City Council in the Pledge of Allegiance.

Mayor Manheimer noted that today the N.C. Supreme Court heard Asheville's water case. The City will hopefully know their opinion in August, 2016.

I. PROCLAMATIONS:

A. RECOGNITION OF CITY OF ASHEVILLE YOUTH LEADERSHIP ACADEMY STUDENTS

Mayor Manheimer nine years ago, former Mayor Terry Bellamy and the Asheville City Council envisioned a new program that would place students with meaningful summer internships with City departments and partnering organizations throughout Asheville. This program would empower its students to get involved in their communities, support them in their quest for college, and reward them with a generous scholarship. After a rigorous application process, 25 CAYLA students are placed in prestigious summer internships that allow them to explore careers and learn from caring adult professionals. Members of the CAYLA Class of 2016 interned with valuable community partners, including the Asheville Area Chamber of Commerce, Moog Music, CarePartners, and the Red Cross of WNC. Each Friday during the summer, the students attended day-long leadership workshops that focused on career exploration. Students not only learned about their own skills and interests, they also met community professionals from the six primary career clusters and took a variety of field trips to see careers in action. Of the graduating seniors, all have been accepted to four-year colleges – and many have earned significant merit scholarships, including the Dell Scholarship, Community Foundation of WNC awards, and the local Civitan and Rotary scholarships. This year, the total merit scholarship money earned by CAYLA students since 2008 will surpass $1.1 million. Beginning last June, the CAYLA students began planning in-depth social justice projects. They organized the MLK Youth Summit, which brought together more than 50 teenagers from all of Buncombe County's high schools to discuss issues of importance to youth. This semester, the students taught a class each week for Asheville City Schools Foundation's IRL afterschool program at AMS. Over the years, CAYLA students have given more than 3,400 volunteer hours to our community. In recognition of their accomplishments and the critical role they will play in Asheville's future, the City of Asheville awards each CAYLA student a scholarship in the amount of $2,000. We are proud of the leadership that the CAYLA students exhibit each day, and look forward to hearing of their achievements in the years to come.

With that, she provided a certificate to the following 2016 CAYLA students: CeeCret Allen, Dana Campbell Jr., D'Angelo Elliott, Fatima Gonzalez, Nadia May, Candida Alas-Ortega, Mercy Beveridge, Korina Dariy, Itzel Garcia, Shamone Jones, Josue Lomeli-Garcia, Jamie Rhodes, Kanaje Allen, Jayla Bunn, Raekwon Griffin, Taekwon Griffin, Ella Heldreth-Schmitt, Jaylen Hooker, Phoenix Keyser, Cindy Marquez, Caroline Penland, Rudy Perez, Cedetria Tranchant, Satorrius Uddyback, and Kimberly Vargas.

Mayor Manheimer praised Erika Germer for her hard work on this program.

II. CONSENT AGENDA:

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON MAY 10, 2016

B. ORDINANCE NO. 4500 - SECOND AND FINAL READING OF ORDINANCE NO. 4500 GRANTING A FRANCHISE AGREEMENT FOR THE OPERATION OF A LOW SPEED VEHICLE SHUTTLE SERVICE WITHIN THE CITY OF ASHEVILLE

Summary: The first reading of this ordinance was heard by City Council on May 10, 2016.

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C. RESOLUTION NO. 16-112 - RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN UTILITY RELOCATION AGREEMENTS WITH DUKE ENERGY AND OTHER UTILITY PROVIDERS FOR THE RIVER ARTS DISTRICT TRANSPORTATION IMPROVEMENT PROJECT

Summary: The consideration of a resolution authorizing the City Manager to sign Utility Relocation Agreements for the River Arts District Transportation Improvement Project (RADTIP) Project with Duke Energy and other secondary utility providers for the project.

The RADTIP project is moving toward the construction phase in early 2017. In advance of that time, private utility companies will begin relocation of the utilities as necessary to construct the project. The main provider, Duke Energy will begin relocation activities in the summer of 2016.

The City will enter into a Utility Relocation Agreement (URA), which includes a commitment from the City to reimburse Duke Energy and other utility providers for the costs of the improvements. The costs associated with Duke Energy, along with smaller costs associated with secondary utility providers are already part of the FY17 capital budget for RADTIP construction. The estimated breakdown of costs to Duke Energy is as follows:

Duke Transmission – Riverside Drive	$1,034,000
Duke Transmission – Amboy	$ 300,000
Duke Distribution	$2,750,000
SUBTOTAL	$4,084,000
Contingency 20%	$ 816,800
TOTAL	$4,900,800

The RADTIP project has been in the planning phase since 2010 and is now beginning to move into the construction phase. Utility relocation is scheduled to begin in the fall. This fits into the City Council's visioning plan by helping to create a well-planned and livable city, transportation and accessibility, and a clean and healthy environment. This project implements a portion of the Wilma Dykeman Riverway Plan and is part of the Tiger VI Program.

Pros:

- Able to move into the construction phase of the RADTIP Project.
- Consolidate and upgrade utilities in the corridor.

Con:

- Relocation work will potentially be disruptive to business owners and tenants in the area.

The funds for utility relocation are part of the Fiscal Year 2017 capital budget for RADTIP construction.

Staff recommends that City Council adopt a resolution authorizing the City Manager to sign Utility Relocation Agreements with Duke Energy and other secondary utility providers for the RADTIP project.

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D. RESOLUTION NO. 16-113 - RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A GRANT AGREEMENT WITH THE FEDERAL HIGHWAY ADMINISTRATION TO RECEIVE $14,600,000 IN TIGER VI TRANSPORTATION FUNDS

Summary: The consideration of a resolution authorizing the City Manager to sign a grant agreement with the Federal Highway Administration to receive $14,600,000 in TIGER VI Transportation Funds.

In April of 2014, City Council authorized staff to submit a grant application to the Federal Highway Administration for TIGER VI Transportation funds to construct a network of multi-modal transportation improvements in the riverfront and in the East of the Riverway area.

In September 2014, the Federal Highway Administration announced that the City of Asheville is a recipient of TIGER VI funds in the amount of $14,600,000. Following that award announcement staff has been working to complete all of the necessary pre-construction requirements in order to be able to sign the grant agreement to receive the funds.

The TIGER VI Projects include the River Arts District Transportation Improvement Project, Clingman Forest Greenway, Town Branch Greenway, French Broad Greenway, Livingston St. and Five Points. TIGER VI grant funds are a critical part of completing these projects. This project meets the goals of City Council's vision by helping to build a well-planned and livable community and building transportation and accessibility. This action complies with the City's plans to complete the riverfront projects.

Pro:

- Provides critical funding to complete City projects

Con:

- There are no cons for this approval

All of the projects in the TIGER VI program are in the City's Capital Improvement Program. The projects are funded through a combination of City funds, TIGER VI funds and other minor grants. Project cost estimates will be refined prior to bid.

Staff recommends City Council adopt a resolution authorizing the City Manager to sign a grant agreement with the Federal Highway Administration to receive $14,600,000 in TIGER VI Transportation Funds.

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E. RESOLUTION NO. 16-114 - RESOLUTION APPROVING AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT TO PROVIDE FOR THE FINANCING OF ADDITIONAL PROJECTS

Mayor Manheimer said that City Council held a public hearing on the issuance of the 2016 Limited Obligation Bond Anticipation Notes on May 10, 2016.

This is the consideration of a resolution directing the City Manager and Chief Financial Officer to pursue debt financing for capital projects with a draw program including issuing an interim Limited Obligation Bond (LOB) as construction financing for projects to be permanently financed upon completion with LOBs and Special Obligation Bonds (SOBs), and to approve the documentation related to the LOB financing.

The City has reimbursement resolutions for Council approved capital projects authorized as part of the FY 2014, 2015 and 2016 Budgets This LOB draw program will reimburse the City for costs incurred to date for those projects and allow the City to complete many of the projects.

As a next step in the process, staff is seeking City Council's approval to complete the LOB financing with Bank of America, N.A., as the purchaser of the LOB, which provided the lowest cost financing for the draw program interim financing. The resolution also authorizes the City Manager and Chief Financial Officer to proceed with the LOB financing and execute and deliver the necessary documents to complete the financing.

Pro:

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

Con:

- None noted.

Staff recommends that City Council approve the resolution as it is proposed.

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F. ORDINANCE NO. 4503 - BUDGET AMENDMENT FROM INSURANCE RECOVERY FUNDS FOR A DAMAGED BUS SHELTER

Summary: The consideration of a budget amendment in the Transit Capital Fund in the amount of $7,981.82 from insurance recovery funds for a damaged bus shelter to utilize towards the repair of the bus shelter.

On February 20, 2016, a bus shelter located at 85 Tunnel Road was damaged by a third-party and the City settled the property damage claim for $7,981.82. The Transportation Department seeks to utilize the settlement funds to repair said bus shelter.

Pro:

- Provides funding for Transportation Department bus shelter repair.

Con:

- None.

The insurance recovery funds are held in the City Property & Liability Fund. Upon City Council approval, the funds will be transferred to the City Transit Capital Fund to be utilized to repair the bus shelter.

City staff recommends City Council adopt the budget amendment in the Transit Capital Fund in the amount of $7,981.82 so the funds may be applied towards bus shelter repairs located at 85 Tunnel Road.

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G. INFRASTRUCTURE GRANTS

RESOLUTION NO. 16-116 - RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT A LETTER OF INTENT FOR THE "MAJOR WORKS PATHWAY" MULTI-YEAR FUNDING FROM THE BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY FOR PRODUCT DEVELOPMENT FUNDS

Summary: The consideration of a resolution authorizing the City Manager to submit a letter of intent to the Tourism Development Authority (TDA) and to request $20 M in funding for South Slope infrastructure improvements over the next 7 years to include complete street improvements, pedestrian and bike improvements at the intersection of Biltmore Avenue and Charlotte Street, gateway to the South Slope and a parking deck constructed with innovative renewable energy sources.

The Buncombe County Tourism Development Authority's Strategic Destination Development Plan published in 2006 recognized the need to continue to develop "cultural districts," distinct areas defined by unique attributes that compliment Asheville's culture and extend the Asheville experience. The plan specifically called for defining a framework of cultural districts and investing in one already forming area, the River Arts District, while creating welcoming gateways, beautification and interconnectivity between these areas.

Similarly, in 2014, the City of Asheville approved the designation of three "Innovation Districts," areas surrounding the Central Business District (an existing Innovation District approved in 2012) that are targeted for capital investment and infrastructure improvements. These improvements, in turn, will provide the foundation for additional private investment and growth, similar to the efforts that promoted downtown's resurgence over the last 30 years. The three innovation districts include the River Arts District, the South Slope Extension District and the Charlotte Street Corridor District.

During the last two funding cycles of the Tourism Product Development Fund, the BCTDA recognized the value of investing in connecting downtown to the River Arts District by awarding funding to the River to Ridge: Riverfront Destination Development Project – a project that includes a Riverfront Arts and Culture Dispensary, pedestrian walkway connections, boat ramps and an outdoor recreation experience that connects from scenic Beaucatcher Overlook Park to Downtown and South Slope to the River Arts District and New Belgium Brewery.

In 2015, the TDA revised the process to receive TPDF funding. They developed a "Major Works Pathway" process that could potentially commit multi-year funding to large projects. City staff have been working with the TDA to identify projects that would meet the City's needs by improving the pedestrian and bicycle experience in downtown while also improving the downtown/south slope experience for citizens and tourist. The concept is to successfully expand the footprint of downtown Asheville into a thriving, sustainable and prosperous network of Innovation Districts that offer more of the experiences. By investing in gateways, connectivity, beautification, parking and recreational assets like McCormick Field, we are laying the groundwork for entrepreneurs, artists, restaurateurs, brewers and other private investors to expand the magical spirit of downtown to its surrounding areas and neighborhoods.

Capital investments envisioned for the district include:

- A defined South Slope gateway where Biltmore Avenue, McCormick Place and Southside Avenue intersect;
- Street, sidewalk and pedestrian improvements with wayfinding to improve access to Asheville's walkable "Ale Trail" throughout the South Slope District. The Asheville In Motion (AIM) plan calls for Lexington Avenue, Coxe Avenue and Biltmore Avenue to improved to complete streets.
- Infrastructure improvements surrounding McCormick Field to better connect the venue to the Brewery District – including a potential signature pedestrian bridge across Biltmore Avenue - and encourage private, mixed-use development surrounding the facility, and;
- Construction of a mixed-use building with a public parking deck near the intersection of Southside, Biltmore Avenue and Charlotte Streets. This parking garage could include renewable energy sources and battery storage.

This direction aligns with the City Council's Vision in the following ways: (1) *A WELL-PLANNED AND LIVABLE COMMUNITY* - Asheville promotes community through thoughtful, resident-led planning that result in pedestrian oriented development for all ages and abilities, harmonized with an integrated transportation system; (2) *A CLEAN AND HEALTHY ENVIRONMENT* - Asheville continues to be a leader in innovative technologies and conservation efforts in response to global climate change; and (3) *TRANSPORTATION AND ACCESSIBILITY* - Whether you drive a car, take the bus, ride a bike or walk, getting around Asheville is easy. Public transportation is widespread, frequent, and reliable. Sidewalks, greenways, and bike facilities get us where we want to go safely and keep us active and healthy. It is easy to live in Asheville without a car and still enjoy economic, academic, and social success.

Pros:

- Provides funding to construct complete streets for three of the top nine recommended streets in the Asheville In Motion (AIM) Plan.
- Improves street and sidewalk conditions in the South Slope Innovation District.
- Makes safety improvements to the intersection of Biltmore and Charlotte Street.
- Provides a parking garage in the South Slope that would include renewable energy sources including solar and battery storage. This asset would serve as an innovative solution to reducing reliance on fossil fuels.
- Provides infrastructure that encourages infill development with walkability.
- Provides placemaking to the south entrance to downtown.
- Expands the footprint of downtown into the South Slope by improving multimodal transportation options.
- The City would leverage $28 M with an investment of $3 M from the parking enterprise fund and $1 M from the general fund.
- The City will seek funding for curtaining and associated improvements to the Thomas Wolfe Auditorium in the regular cycle of TPDF.

Cons:

- Matching funds would be provided from NCDOT STP-DA funding on your agenda tonight.
- Funding for major renovations to the Thomas Wolfe Auditorium will be requested from TPDF in future years.

Staff plans to match the funding for these projects with grants from STP-DA funding also on your agenda for May 10, 2016 as well as potential innovative energy efficiency grants and funding from the parking fund for acquisition, design and permitting of the parking garage.

The total request from the TPDF is $20 million over 7 years with the following tentative schedule.

Schedule of Projects and Funding

Project	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Gateway		$500 K (design & ROW acquisition)		$2 M (construction)			
Ped, Transit and Bike Intersection Improvements at Biltmore and Charlotte		$500 K (design & ROW acquisition)		$2 M (construction)			
Complete Street Improvements		$3.5 M (design & ROW acquisition)			$6 M (construction)		
Innovative Energy Parking Deck	$2.5 M (acquisition and design)			$13 M (construction)			

Sources of Funding

Source	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
TPDF	0	0	$4 M	$4 M	$4 M	$4 M	$4 M	$ 20 M
STP-DA	0	$1 M	$2 M	$1 M	0	0	0	$4 M
Parking Enterprise	$1 M	$1 M	$1 M	0	0	0		$3 M
General Fund	0	$ 0.5 M	$ 0.5 M	0	0	0	0	$1 M
Energy Efficiency Grants	0	$ 0.5 M	$ 0.5 M	$1 M	0	0	0	$2 M
Total	$1 M	$3 M	$8 M	$6 M	$4 M	$4 M	$4 M	$30 M

Staff recommends approval of a resolution authorizing the City Manager to submit a letter of intent to the Tourism Development Authority (TDA) and to request $20 M in funding for South Slope improvements over the next 7 years to include complete street improvements, pedestrian and bike improvements at the intersection of Biltmore Avenue and Charlotte Street, gateway to the South Slope and a parking deck constructed with innovative renewable energy sources.

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RESOLUTION NO. 16-117 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY TO THE FRENCH BROAD RIVER METROPOLITAN PLANNING ORGANIZATION FOR GRANTS OF FEDERAL TRANSPORTATION FUNDS

Summary: The consideration of a resolution authorizing the City Manager to apply to the French Broad River Metropolitan Planning Organization (MPO) for grants of federal transportation funds, and if the applications are successful, to accept grants and sign necessary agreements with the MPO or appropriate state or federal agencies to receive the funds.

The MPO has opened a call for projects to use federal Surface Transportation Program – Directly Attributable (STP-DA) funds and Transportation Alternative Program (TAP) funding sources. The MPO expects to have approximately $14 million in STP-DA and TAP funding

available for federal fiscal years 2018 and 2019, $13.2 million in STP-DA and $1.06 million in TAP. This is a competitive call open to all local governments and to the two NCDOT divisions in the four-county MPO area.

Staff is pursuing funding for the following projects:

- Planning, environmental documents, and construction documents for three complete street projects in the South Slope district which are identified as transformative in the Asheville in Motion (AIM) plan: Coxe Avenue, Lexington Avenue and Biltmore Avenue, at an estimated cost of $5 million, with 80% funded by the grant. This project is planned as preparatory for future construction grant requests.

- Update of the city's 2004 Pedestrian Plan and older public right-of-way ADA Transition Plan at an estimated cost of $175,000, with 80% funded by the grant.

- Construction of River to Ridge Greenway Network connector routes, including pedestrian and bicycle facilities, street crossings, wayfinding between Clingman Forest, Town Branch and Beaucatcher Greenways, and making the connection to the French Broad River East greenway via RADTIP improvements, at an estimated cost of $1.75 million, with 60% funded by the grant. This project builds upon a prior MPO grant for design of the connectors.

Each of these projects supports the initial implementation of the AIM plan and vision of the South Slope as a district that is a place in itself and yet connected to the rest of downtown, McCormick Field, Memorial Stadium and future mountainside parks, the River Arts District, and the larger city.

The MPO application requires expression of City Council's willingness to program the local match if selected to receive the grant. In all cases, while the local match cannot be other federal funds, it could be from other grant funding.

If received, these projects will be added to the city's capital and operating budgets.

Pros:

- Allows the City of Asheville to leverage to up to an estimated $5.1 million in federal transportation investment
- Allows the City of Asheville to begin implementation of three complete street projects identified as transformative in the AIM plan
- Allows the City of Asheville to update the city's 12 year old pedestrian master plan
- Allows the City of Asheville to update an element of city compliance with the Americans with Disabilities Act
- Allows the City of Asheville to construct clear and comfortable connections between three upcoming greenways, making them part of a growing network of transportation pathways

Con:

- Commits the city to funding to the match, at least for the time the applications are pending.

If successful, the grant applications will allow the city to leverage up to an estimated $5.1 million in federal funding for these projects, with a city match of up to an estimated $1.7 million.

City staff recommends City Council adopt a resolution authorizing the City Manager to apply to the French Broad River Metropolitan Planning Organization (MPO) for grants of federal transportation funds, and if the applications are successful, to accept grants and sign necessary agreements with the MPO or state or federal agencies to receive the funds, and to express the intention to provide the required local match.

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RESOLUTION NO. 16-118 - RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT A PRELIMINARY AND FINAL GRANT APPLICATION TO THE BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY FOR 2016 TOURISM PRODUCT DEVELOPMENT FUND CYCLE

Summary: The consideration of a resolution authorizing the City Manager to submit a preliminary application and final application, and accept if awarded, a grant from the Buncombe County Tourism Development Authority (TDA) through the Tourism Product Development Fund (TDPF) for funding to support improvements at the U.S. Cellular Center.

The Buncombe County TDA's 2016 grant cycle for the TDPF opens in June of this year. TDPF grants support construction of brick and mortar projects that will add new or increase existing room nights in Buncombe County. The City of Asheville (City) contemplates submitting a preliminary application on June 1, 2016. The TDA will review preliminary applications to determine eligibility, short list and invite potential grantees to submit a more extensive final application. Preliminary applicants will receive notification of eligibility on June 29, 2016. If the City receives an invitation to continue with the grant process, a more extensive final application is due on August 31, 2016. The Buncombe County TDA will announce grant awardees and amounts on or before October 26, 2016.

Staff recommends applying for $1,975,000 in TPDF grant funds that will support TPDF guidelines and City Capital Improvement Project construction costs of $3.3 Million. The City's project will, if funded, construct a comprehensive set of improvements and enhancements to the facility which will increase the venue's ability to host larger conferences and additional concert/performance events. The project will create a new venue within the facility by developing a theater system inside the ExploreAsheville.com arena with a flexible attendee capacity between 2,500 and 4,500 as needed. The project elements are:

- Arena Theater System and Sound & Light Package: Purchase & installation of equipment and materials to create a flexible capacity theater within the ExploreAsheville.com Arena. This theater system will come equipped with the necessary curtaining, trussing, sound and light equipment necessary for a basic concert or performance event. Sound and light components are mobile equipment which will have the ability for use in both the Thomas Wolfe Auditorium and the ExploreAsheville.com Arena, allowing for more frequent use and ability to generate additional event dates.
- Meeting room renovation: Conversion of a current storage area to a permanent meeting room equal in capacity to the facility's second largest room, complete with all necessary audio/visual and internet needs. As the USCC has added additional meeting/conference events, meeting planners have identified additional meeting room space as essential for larger meetings.
- Required Related Infrastructure: Converting storage space into meeting space & creating the theater curtain wall system will require additional infrastructure updates to the facility in order for all components to function. This includes expanding current storage areas in the facility exhibit level, Internet infrastructure enhancements and significant improvements to the facility's HVAC system to successfully accommodate the curtaining system and additional conditioned meeting space, as well as conditioned storage space.

This proposed preliminary application was presented to and unanimously supported by the Civic Center Commission at the May 3rd monthly meeting. The City Council Planning & Economic Development Committee will review the proposal prior to the full City Council meeting on May 17, 2016, and the PED recommendation will be provided at the Council meeting.

This application aligns with City Council's 2036 Vision as follows: (1) Smart City: Leveraging funding for necessary improvements to city property and infrastructure through external TDA sources allows for the City to maintain and improve the City's infrastructure in a fiscally responsible manner. These improvements also allow the facility to more flexibility to clients and therefore enhances the facility's revenue base; (2) A Clean & Healthy Environment: Related Infrastructure associated with the project will include improvements to the facility's HVAC systems. These improvements were highlighted items of priority in the 'Building Energy Analysis Report' conducted in 2015 by Griffith Engineering, commissioned by the city's sustainability department; and (3) Transportation & Accessibility: Improvements to this facility extends the usable life of the facility and increases the amount of public leisure and entertainment activities within downtown which is the most accessible area of the City through all means of transportation.

Pros:

- Maintain and improve the City's infrastructure.
- The TDPF is a significant funding opportunity that would be the keystone to allowing these improvements to take place.
- The potential improvements will allow the facility to operate one step closer to revenue neutral.

Con:

- None

The Buncombe County TDA may choose to not award, partially award or fully award the grant request of $1,975,000. If any award is offered the City would experience a positive impact to the budget. Any award is contingent upon the availability of matching funds. These funds have been identified by staff as the U.S. Cellular Center capital fund, General Fund, In Kind contributions & potentially the Green CIP.

An announcement of an award would begin the process of the city developing a grant agreement with Buncombe County TDA that further defines the specific funding amounts and project elements included in the partnership effort. Through proposed partnerships like these, staff continues to develop diverse funding sources for future opportunities and improvements that will increase the City's fiscal sustainability.

Staff recommends City Council adopt a resolution authorizing the City Manager to submit and accept if awarded, a preliminary and final grant application to the Buncombe County Tourism Development Authority (TDA) for the Tourism Product Development Funding (TDPF) to support renovations and improvements at the U.S. Cellular Center.

Councilwoman Mayfield was pleased to highlight the two TDA applications, one of which will allow a multi-year funding application for $20 Million of funding for Asheville's infrastructure needs.

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H. RESOLUTION NO. 16-119 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT COMMUNITY WASTE REDUCTION AND RECYCLING GRANT FUNDS FROM THE N.C. DEPT. OF ENVIRONMENTAL QUALITY

ORDINANCE NO. 4501 - BUDGET AMENDMENT TO ACCEPT COMMUNITY WASTE REDUCTION AND RECYCLING GRANT FUNDS FROM THE N.C. DEPT. OF ENVIRONMENTAL QUALITY

Summary: The consideration of a resolution authorizing the City Manager to accept Community Waste Reduction and Recycling (CWRAR) grant funds from the North Carolina Department of Environmental Quality (NCDEQ) (formerly NCDENR); and a budget amendment in the amount of $29,813 in the Special Revenue Fund to budget the grant and the City's match.

In October 2015, the City of Asheville partnered with the Housing Authority of the City of Asheville (HACA) to launch a recycling pilot project for the 280 public housing units of the Erskine, Walton and Livingston Street communities. With CWRAR funding from NCDEQ, "Big Blue" 96-gallon recycling roll carts were distributed to each residence and significant outreach was conducted. These residents are now collectively recycling over 1,500 pounds of materials every week. The City has been awarded a second grant to expand this recycling project to 388 more units in the communities of Deaverview and Hillcrest in Fiscal Year 2017.

The total cost for the project is $29,813. The CWRAR grant would require a 20% cash match from the City of Asheville. Thus $4,969 would be contributed by the City, from the sustainability street light savings in the general fund, while the grant would cover the remaining $24,844.

Pros:

- Provides more equitable access to recycling services for residents of public housing
- Helps to meet City's waste reduction goal while leveraging state funding

Con:

- None can be identified

As noted above the total cost of the project is $29,813, with the grant covering $24,844 or 80% of the cost. The 20% City match of $4,969 will come from sustainability street light savings that have been designated for green projects.

City staff recommends City Council adopt a resolution authorizing the City Manager to accept $24,844 in grant monies from NCDENR; and a budget amendment in the amount of $29,813 in the Special Revenue Fund to budget the grant and the City's match.

Councilwoman Mayfield was pleased to highlight that this will expand recycling into the communities of Deaverview and Hillcrest.

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I. RESOLUTION NO. 16-120 - RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT A GRANT FROM THE APPALACHIAN REGIONAL COMMISSION TO CONDUCT THE ENTREPRENEURIAL IMPACT OF OUTDOOR SPECIAL EVENTS

ORDINANCE NO. 4502 - BUDGET AMENDMENT TO ACCEPT GRANT FUNDS FOR ENTREPRENEURIAL IMPACT OF OUTDOOR SPECIAL EVENTS RESEARCH STUDY

Summary: The consideration of a resolution authorizing the City Manager to accept and execute a grant agreement with the Appalachian Regional Commission, and a budget amendment in the amount of $25,000 to appropriate the grant funding in the FY 2015-16 budget.

The Appalachian Regional Commission (ARC) offers grants to create opportunities for self-sustaining economic development and improved quality of life for the people of Appalachia. City Council adopted a resolution on August 25, 2015 authorizing an application for grant assistance to ARC for a research study that would identify the impact of special events as

strategic assets for Asheville and surrounding local economies. Funding in the amount of $25,000 was authorized from the current Community & Economic Development budget to meet the required 1:1 match. The total project budget included $50,000 for contracted consultant services with 20% allocated to the development of survey instruments, 50% for data collection, 20% for technical analysis and 10% for report preparation.

On April 22, 2016, ARC notified the City of Asheville that the application for grant assistance was approved. The project titled, The Entrepreneurial Impact of Outdoor Special Events, will study the impact of special events on entrepreneurship, generate data to support the development of policy recommendations designed to motivate entrepreneurship and job creation through special events, and create a practical, research-based survey tool that can be shared with surrounding communities in the region.

Pros:

- Strengthens the City's relationship with the North Carolina Department of Commerce and the Appalachian Regional Commission
- Provides critical data with which to base sound policy recommendations
- Creates opportunities to engage, support and partner with the private sector
- Establishes a platform to share City efforts and provide assistance throughout the region

Con:

- None noted at this time.

The fiscal impact of the City's support to this grant is matching funds in an amount not to exceed $25,000 from the existing Community and Economic Development budget.

City staff recommends that City Council authorize the City Manager to execute a grant agreement between the Appalachian Regional Commission and the City of Asheville, and adopt the associated budget amendment in the amount of $25,000 to appropriate the grant funding in the FY 2015-16 budget.

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J. RESOLUTION NO. 16-121 - RESOLUTION AUTHORIZING THE POSSESSION AND/OR CONSUMPTION OF ALCOHOLIC BEVERAGES AND/OR UNFORTIFIED WINE AT THE MOUNTAIN SPORTS FESTIVAL

RESOLUTION NO. 16-122 - RESOLUTION AUTHORIZING THE POSSESSION AND/OR CONSUMPTION OF ALCOHOLIC BEVERAGES AND/OR UNFORTIFIED WINE AT THE COMMUNITY CONCERT

RESOLUTION NO. 16-123 - RESOLUTION AUTHORIZING THE POSSESSION AND/OR CONSUMPTION OF ALCOHOLIC BEVERAGES AND/OR UNFORTIFIED WINE AT THE INGLES INDEPENDENCE DAY CELEBRATION

Summary: The consideration of authorizing the City Manager to approve resolutions making provisions for the possession and consumption of malt beverages and/or unfortified wine at the Mountain Sports Festival, the Community Concert, and the Ingles Independence Day Celebration.

- Mountain Sports Festival has requested through the City of Asheville Community & Economic Development Department that City Council permit them to serve beer and/or unfortified wine at the Mountain Sports Festival and allow for consumption at this event.

The Mountain Sports Festival will be held on Friday, May 27, 2016 from 4:00 p.m. to 10:00 p.m., Saturday, May 28, 2016 from 10:00 a.m. to 10:00 p.m., and Sunday, May 29, 2016 from 10:00 a.m. to 6:00 p.m. within the boundaries of Carrier Park as per the area limits referenced on the accompanying site map.

- Asheville Downtown Association has requested through the City of Asheville Community & Economic Development Department that City Council permit them to serve beer and/or unfortified wine at the Community Concert and allow for consumption at this event.

  The Community Concert will be held on Saturday, June 11, 2016 from 6:00 p.m. to 9:30 p.m. within the boundaries of Pack Square Park as per the area limits referenced on the accompanying site map.

- Asheville Downtown Association has requested through the City of Asheville Community & Economic Development Department that City Council permit them to serve beer and/or unfortified wine at the Ingles Independence Day Celebration and allow for consumption at this event.

  The Ingles Independence Day Celebration will be held on Monday, July 4, 2016 from 12:00 p.m. to 10:00 p.m. within the boundaries of Pack Square Park as per the area limits referenced on the accompanying site map.

Pro:

- Allows fundraising opportunities for the Mountain Sports Festival and the Asheville Downtown Association

Con:

- Potential for public safety issues

Staff recommends City Council authorize the City Manager to approve resolutions making provisions for the possession and consumption of malt beverages and/or unfortified wine at the Mountain Sports Festival, the Community Concert, and the Ingles Independence Day Celebration.

RESOLUTION NO. 16-121 - RESOLUTION BOOK NO. 38- PAGE 51
RESOLUTION NO. 16-122 - RESOLUTION BOOK NO. 38- PAGE 54
RESOLUTION NO. 16-123 - RESOLUTION BOOK NO. 38- PAGE 57

K. RESOLUTION NO. 16-124 - RESOLUTION AMENDING THE COMPOSITION OF THE CITIZENS-POLICE ADVISORY COMMITTEE

Summary: The consideration of a resolution amending the membership of the Citizen Police Advisory Committee (CPAC).

As outlined in the background summary regarding the creation of CPAC, the current composition of the voting members of the body include the following:

- Five representatives of the north, east, south, west and central areas of the City;
- Chair of the Asheville-Buncombe Community Relations Council (ABCRC);
- Asheville Housing Authority Chair or designee; and
- Two ad-hoc members appointed by the Committee.

Terms of all CPAC voting members (with the exception of ad-hoc members) are limited to two consecutive periods of three-years. Ad hoc members are currently appointed by CPAC without any terms. It appears as though CPAC is the only board, commission or committee within the City that appoints some of its own membership and without term limitation. The current ad-

hoc positions have been in place since 2013 (purpose related to driving under the influence) and 2015 (public housing resident representation), respectively.

Non-voting members of CPAC include a City Council liaison, Chief of Police, and Police Officer (Sergeant in Community Relations or designee).

On February 29, 2016, the ABCRC was officially dissolved. As a result, the CPAC seat formerly dedicated to the ABCRC Chair no longer exists. In an effort to identify what to do with the former seat – if anything – input from the CPAC body was sought for which it had discussion during its regular meetings of March 2, April 6 and May 4. As a part of those discussions, staff identified concerns relative to the manner in which CPAC was appointing ad-hoc members to its body including service for periods without limitation.

During its May 4 Regular Meeting, CPAC voted unanimously to support the following motions in reference to its membership:

- Vice Chair Holt motioned to recommend to the Boards and Commissions Committee of City Council that the Citizens Police Advisory Committee set a term limit of 12 months on Ad Hoc seats. Allen Brailsford seconded. The motion carried on an 8-0 vote.

- Carol Rogoff Hallstrom motioned to recommend to the Boards and Commissions Committee of City Council that the Asheville Buncombe Community Relations Council seat be converted to a seat for a resident of a property owned by the Asheville Housing Authority. Larry Holt seconded. The motion carried on a 7-0 vote. Cooke, Joslin, Hallstrom, Holt, Gurney, Brailsford, and Gardner voted in support of the motion; Applewhite abstained.

It is important to note that while CPAC understands that the new Asheville Housing Authority resident seat would be appointed through an open City Council process, it recommends that the current resident ad-hoc member (Sir Charles Gardner) be appointed for the initial term.

On May 10, 2016, the City Council Boards & Commissions Committee unanimously recommended: (1) the seat formerly held by the Chair of the Asheville-Buncombe Community Relations Council (dissolved March 1, 2016) be converted into a seat for a resident of property owned by the Asheville Housing Authority; and (2) the two current ad hoc seats become at-large seats with three-year terms.

Staff recommends that City Council amend the CPAC membership to (1) convert the seat formerly held by the Chair of the Asheville-Buncombe Community Relations Council be converted into a seat for a resident of property owned by the Asheville Housing Authority; and (2) the two current ad hoc seats become at-large seats appointed by City Council with three-year terms.

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Mayor Manheimer asked for public comments on any item on the Consent Agenda, but received none.

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

Councilman Bothwell moved for the adoption of the Consent Agenda. This motion was seconded by Vice-Mayor Wisler and carried unanimously.

III. PRESENTATIONS & REPORTS:

A. RESOLUTION NO. 16-125 - RESOLUTION ADOPTING THE ASHEVILLE IN MOTION PLAN

Transportation Planning Manager Mariate Echeverry said that this is the consideration of a resolution accepting the Asheville in Motion (AIM) plan, the City of Asheville Mobility Plan.

In order to address the City's growing transportation needs, and to create a coordinated strategy to prioritize multimodal improvements the City of Asheville engaged in the development of a Multimodal Transportation Plan, the Asheville in Motion Plan. The City hired Kimley-Horn and Associates, Inc. to develop the plan. The plan was funded by the Metropolitan Planning Organization as part of the Unified Planning Work Program in the amount of $200,000, and $86,000 from the General Operating fund for a total project budget of $336,000.

The AIM plan creates a vision for Asheville providing a cohesive strategy and a method to prioritize projects. The vision begins by embracing the Complete Streets philosophy with an aim toward improving multimodal connections.

Projects are selected based on five criteria:

- Economic Vitality for projects that support and catalyze the community's economy.
- Social Equity, for projects that provide transportation options to underserved communities.
- Community Vibrancy, which reflects how the project will contribute to the urban fabric and the sense of place of a specific community.
- Travel Mode Shift, for projects that encourage travelers to diversify how they move around, either walking, biking or riding transit, instead of driving.
- Public Sentiment, which reflects public support.

Once the projects are selected, the AIM plan incorporates different tools unique to Asheville that determine the type of multimodal improvements that can take place on a specific road, taking into consideration the neighborhood that the road is serving and the right of way constraints:

- Framework plans, that consider individual system level plans for pedestrian, bicycles, and transit. These framework plans define how the different modes of transportation are developed and where the priorities are. The framework plans include policies and projects as needed.
- Street Type, which reflects the way how our community uses the road network using a new set of street categories.
- Community Types, which is a method to incorporate community context (land use and urban form).
- Blended Typology, which is a method to consider right of way constraints, based on street types and community types.

In addition, the plan recommends Transformative Projects, which are projects that combined create an interconnected network, providing access to jobs, education, recreation, and encouraging a healthy life style. These projects represent a coordinated strategy for the immediate future (next 15 years).

The AIM plan was supported by a very robust public outreach process. There were more than 15 outreach events, including a symposium that featured a mobility fair and an expert panel; a week-long design charette; and a public rollout.

The stakeholder engagement process brought citizens, business, non-profits, and elected officials giving them the opportunity to speak directly to the consultants. All those events combined drew more than 300 citizens.

There was intensive public input at the symposium that was complemented by the results of an online survey: the Metroquest received more than 1,200 responses and almost 20,000 data points. The input from all these public sessions informed the development of the plan and the policy and project recommendations.

The final report was posted on Open City Hall for three weeks.

The process was overseen by the Project Oversight Committee which was composed by representatives of different agencies, such as: Housing Authority, UNC-Asheville, A-B Tech, Airport Authority, Asheville on Bikes, Warren Wilson College, Asheville Area Chamber of Commerce, Just Economics, Mission Hospital, North Carolina Department of Transportation, the French Broad Metropolitan Planning Organization and members of the Multimodal Transportation Commission.

The AIM plan was endorsed by the Multimodal Transportation Commission at their April meeting.

Pros:

- Establishes a vision for multimodal transportation improvements that provides enhanced mobility options to the citizens of Asheville.
- Develops a cohesive strategy to prioritize transportation projects and multimodal improvements.
- Positions the City of Asheville in an advantageous position to access transportation funding.

Con:

- None at this time.

There is no direct fiscal impact as part of this action.

City staff recommends City Council consider a resolution adopting the Asheville in Motion plan, the City of Asheville Mobility Plan.

Mr. Stephen Stansbery, consultant Kimley-Horn & Associates, explained that AIM is an important process intended to consolidate a variety of mode specific plans into a cohesive strategy that expresses a method for prioritizing space and transportation investments in a constrained setting. AIM accomplishments include (1) developed a unique way to consider community context; (2) developed a street typology unique to Asheville; (3) updated/modernized the bike master plan; (4) created a new method of identifying priority projects; and (5) identified ways to better align transportation investments with a variety of community priorities. He then explained the community engagement process. The AIM toolbox will have (1) a method for considering individual systems-level plans for pedestrian, bicycle, greenway and transit; (2) a new set of street type categories; (3) a consistent method for considering community context; and (4) a method for dealing with constrained physical setting (insufficient right-of-way, widening).

Councilwoman Mayfield was glad to see land use and transportation come together in a Plan. She was hopeful that this will take us down the road to prioritizing our projects and making investments to help with the mode shift. She also hoped that we can move quickly into a discussion about resources and how we pay for all of this infrastructure change and implementation.

When Mr. Ken Michalove asked the cost of the study and the cost to implement it, Ms. Echeverry said that the cost of the study was $336,000 with $200,000 coming from Federal Highway Administration funds. She did not know the cost of implementation yet.

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

Councilwoman Mayfield moved for the adoption of Resolution No. 16-125. This motion was seconded by Councilman Bothwell and carried unanimously.

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IV. PUBLIC HEARINGS:

A. PUBLIC HEARING RELATIVE TO ADOPTION OF THE FISCAL YEAR 2016-17 ANNUAL OPERATING BUDGET

Director of Finance and Management Services Barbara Whitehorn said that City Council conducts a public hearing each year to receive public input on the Proposed Annual Operating Budget prior to adoption of the Annual Budget Ordinance. This public hearing was advertised on May 6, 2016.

The Fiscal 2016/2017 Proposed Annual Operating Budget was presented to City Council on May 10, 2016. The Fiscal Year 2016/2017 Proposed Budget is balanced with an Ad Valorem tax rate of $0.475 per $100 of assessed value, which represents no change to the current year tax rate. All essential City services are continued in the Proposed Budget. A copy of the Proposed Budget is available for public inspection in the City Clerk's office. The Proposed Budget is also available for viewing on the City's website.

In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the Proposed Budget along with a notice of the Public Hearing was published on May 6, 2016. Adoption of the Fiscal 2016/2017 Budget Ordinance is scheduled for June 14, 2016 at the regularly scheduled City Council meeting. The Proposed Budget may be changed by City Council in any way before adoption. It may also be changed by budget amendment after adoption, with the only exception being the Ad Valorem Tax rate, which cannot be changed once the Budget is adopted.

She then explained some changes as follows:

Infrastructure reserve	$1.1 Mil
Deferred maintenance reserve	$200,000
One-time investments	$760,000
Unrestricted, unassigned increase	$1.46 Mil
Lee Walker Heights	$2.18 Mil
	Total $5.7 Mil

Also, per Council, she added $2,000 for the Festival of Neighborhoods and $106,000 for a Development Services Department short-term rental position and equipment.

Staff recommends City Council conduct the public hearing on the City of Asheville Fiscal Year 2016/2017 Proposed Annual Operating Budget and include public input in its consideration of the Budget.

Mayor Manheimer opened the public hearing at 5:38 p.m.

Ms. Maureen Quinn spoke about the need for development of a new indoor aquatic center.

Ms. Jackson felt we should be investing in infrastructure and transit and not the crime analyst position, which she hoped would not perpetuate a racist and classist analysis.

A gentleman thanked City Council for making transit a priority in this year's budget.

Mr. Ken Michalove urged Council to remove the funding for Pack Place Capital Improvements as he felt the action is political favoritism.

Rev. Amy Cantrell thanked Council for their investment in transit and hoped that the new crime analyst position will not perpetuate a racist and classist analysis.

Mr. Chris Peterson spoke in opposition of several items in the budget, including, but not limited to increase in fees and charges, funding in the River District, transit, Fund Balance, etc.

Mr. Bruce Emory, Chair of the Multimodal Transportation Commission, thanked City Council for the additional funding for transit and looked for to implementation over the next year.

Mr. Anthony Mitchell, Vice-Chair of the Transit Committee, hoped that Council will continue to make transit a priority.

Ms. Desiree Smith said that the City needs more affordable housing, transit, etc, and not a new crime analyst position.

Mayor Manheimer closed the public hearing at 6:05 p.m.

At Councilman Smith's suggestion, City Manager Jackson said that staff will include the purpose and outcomes anticipated from the new crime analyst position on the City's website, along with the highlights of budget on-line.

Mayor Manheimer said that adoption of the Fiscal Year 2016-17 Annual Operating Budget will occur on June 14, 2016.

B. PUBLIC HEARING TO CONSIDER A CONDITIONAL USE PERMIT FOR THE CONSTRUCTION OF A TWO-STORY 75,000 SQUARE FOOT RETAIL BUILDING AND A ONE-STORY 8,000 SQUARE FOOT RETAIL BUILDING ON PROPERTY LOCATED AT 800 BREVARD ROAD, ASHEVILLE N.C.

City Clerk Burleson administered the oath to anyone who anticipated speaking on this matter.

City Attorney Currin reviewed with Council the conditional use process which is a quasi-judicial permit hearing. At this public hearing, all the testimony needs to be sworn and due process protections afforded to the applicant.

Principal Planner Shannon Tuch submitted into the record City Exhibit 1 (Affidavit of Publication), City Exhibit 2 (Certification of Mailing of Notice to Property Owners); and City Exhibit 3 (Staff Report).

She said that this is the consideration of a conditional use permit for the construction of a two-story 75,000 square foot retail building and a one-story 8,000 square foot retail building on property located at 800 Brevard Road. This public hearing was advertised on May 6 and 13, 2016.

Ms. Tuch said that the applicant Asheville Retail Associates, LLC, is requesting review of site plans for the construction of two new retail structures totaling 83,000 square feet along with related parking and other site improvements (Aerial - Attachment to City Exhibit 3). This project is considered a Level III review pursuant to Section 7-5-9(a) and 7-5-9(a)(1)(c) of the city's Unified Development Ordinance (UDO), which designates a Level III review for projects with more than 100,000 square feet of gross floor area. Level III projects are reviewed as Conditional Use

Permits.

The project address is 800 Brevard Rd. and includes two parcels (Site Plans - Attachment to City Exhibit 3). Building 3A (75,000 s.f.) is located on PIN 9626.76-8165 which is approximately 8.9 acres in size and also includes the recently constructed Field & Stream building. Building 3B (8,000 s.f.) is located on PIN 9626.86-3724 which is approximately 44.8 acres in size and supports the majority of the recently renovated outlet mall. A third parcel supporting the retail anchor Dillard's is owned separately and not included in this application. The site has been previously developed and is relatively flat with good visibility and access.

This project constitutes the third phase of the Asheville Outlets mall development and includes the construction of a new two-story, 75,000 square foot retail building along with a smaller 8,000 square foot single-story retail building on a separate parcel. Both buildings are proposed where surface parking currently exists and will result in the reconfiguration and reconstruction of those parking areas.

The 83,000 square feet of new construction is in proximity to a recently constructed 52,000 square foot retail building (Field & Stream) and the UDO combines these projects for purposes of review (Sec. 7-5-9(a)(1)c) (Elevations - Attachment to City Exhibit 3). Specifically, this requirement states:

> (c) Properties located within 500 feet of each other, under the same ownership and/or developed by the same developer over a period of three years or less shall be considered to be one development and reviewed as such.

When combined all three buildings result in 135,000 square feet of new construction, meeting the review threshold for a Level III, Conditional Use Permit application.

Access to the mall can be achieved from one of four access points. The main entrance and a secondary entrance are located off of Brevard Rd. while the other two entrances are located off of Ridgefield Blvd. Internal sidewalks are provided as part of the project, however, the developer chose to pay a fee-in-lieu for sidewalks required along street frontages (Brevard Rd. and Ridgefield Blvd.) so no sidewalk is proposed in these areas.

The new construction will remove a number of existing parking spaces resulting in a net loss of off-street spaces. Despite the removal of spaces, the total parking count will remain well above the minimum number of spaces required. When evaluated as one large retail center, the overall parking numbers will continue to fall within the min/max range for off-street parking requirements based on the entire mall area. The project also complies with off-street parking when evaluated per individual parcel. Bicycle parking requirements are reduced given the net reduction in vehicular parking spaces so the project remains in compliance from the previous phases of development.

The developer had previously worked with Transportation staff on identifying an appropriate location for a new transit shelter and recently constructed the one that is currently in use; however, the location of the new shelter has not proven to be as efficient as desired resulting in route delays. Transportation staff and the developer will continue to explore a more suitable site and will relocate the shelter if a mutually agreed upon alternative is identified, however, this is not a condition of this project.

Landscaping for the new construction will be required and includes building impact, street trees and parking lot landscaping. The proposed plans demonstrate full compliance with these requirements.

The previous two phases of the mall development were exempted from open space

requirements, however, because Phase 3 is new construction it will require open space which is assessed based on the existing parcel area. Given the Regional Business zoning and the suburban style of development, the open space requirement is 15% of the total lot area which results in 1.33 acres of open space required. This requirement is satisfied through a mix of perimeter landscape areas as well as the open-air courtyard areas that meander through the mall.

This project is classified as a multi-tenant retail structure and per UDO section 7-16-2(d)(10)(c) this project must be reviewed for compliance with the city's Supplemental Development Standards for Large Retail Structures (Appendix 7-F). This information has been supplied by the applicant and verified by staff and demonstrates the ability to meet a number of building design requirements selected from a menu of design options including elements such as: landscape buffering; window fenestration; roof features; façade articulation & relief; building materials; entrance features; and pedestrian and transportation amenities.

The site is currently zoned Regional Business (RB) and the use proposed is permitted by-right and the applicant will meet the standards of the District with this development proposal. The majority of the surrounding properties are similarly zoned RB along with some Commercial Industrial (CI) zoned property to the southwest and county zoning to the east across the interstate.

This proposal was approved with conditions by the Technical Review Committee (TRC) on April 4, 2016, and requires a quasi-judicial review by City Council and a Final TRC review prior to final zoning approval or the issuance of any permits.

This project was also reviewed by the Planning and Zoning Commission at their May 4, 2016, meeting where the project was approved unanimously.

Section 7-16-2(c) of the Unified Development Ordinance (UDO) states that Asheville City Council shall not approve the conditional use application and site plan unless and until it makes certain findings based on the evidence and the testimony received at the public hearing or otherwise appearing in the record of the case. The applicant has provided a statement on these findings (Attachment to City Exhibit 3).

Staff finds that the relevant standards of the City have been met or can be met with this application.

Mr. W. Louis Bissette Jr., attorney representing the applicant, was pleased to work with this developer who took a deteriorating mall and renovated it to this successful and aesthetically pleasing mall that employs over 1,000 employees. He asked that the application be included as an exhibit (Applicant Exhibit 1). He spoke in support of the additions and asked for favorable consideration.

Mr. Chris Day, engineer on the project with Civil Design Concepts, said that they utilized existing infrastructure and a Traffic Impact Analysis was performed with no issues for mitigation.

Mayor Manheimer opened the public hearing at 6:19 p.m., and when no one spoke, she closed the public hearing at 6:19 p.m.

Councilman Bothwell moved to recommend approval of the conditional use permit for Asheville Outlets, Phase 3 located at 800 Brevard Rd. because it meets the seven conditional use standards as demonstrated by the applicant. This motion was seconded by Councilman Young and carried unanimously.

City Attorney Currin said that the Findings of Fact and Conclusions of Law will be placed on the June 14, 2016, agenda.

C. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO ASHEVILLE OUTLETS PREVIOUSLY APPROVED SIGN PACKAGE

ORDINANCE NO. 4504 - ORDINANCE AMENDING THE ASHEVILLE OUTLETS PREVIOUSLY APPROVED SIGN PACKAGE

Principal Planner Shannon Tuch said that this is the consideration of an amendment to the Asheville Outlets previously approved sign package. This public hearing was advertised on May 6 and 13, 2016.

Ms. Tuch said that the applicant is requesting the review of an amendment to a previously approved signage plan for the Asheville Outlets to expand the number of tenant panels on the free-standing multi-tenant sign for the project area.

The project address is 800 Brevard Rd. and includes two parcels: PIN 9626.76-8165 which is approximately 8.9 acres in size and includes the recently constructed Field & Stream outdoor store, and PIN 9626.86-3724 is approximately 44.8 acres in size and supports the majority of the recently renovated outlet mall. A third parcel supporting the retail anchor Dillard's is owned separately and not owned by Asheville Retail Associates LLC, however, a shared sign easement/agreement is held between the parties.

The applicant would like to amend the signage plan approved on April 22, 2014. The scope of this amendment is limited to a single free-standing, multi-tenant sign located at the main entrance on Brevard Rd. The applicant would like to redesign the sign to maintain the same total square footage limited to 200 square feet, but would like to have the sign accommodate up to 10 tenant panels rather than the six panels previously approved. The proposed change would reduce the height of the sign by two feet from 24 feet high down to 22 feet high, but widen the sign from 12 feet to 22 feet.

Per Sec. 7-13-10 of the Unified Development Ordinance (UDO), a Level III development project or commercial project that is over 5 acres in size, may apply for a "signage plan" as an alternative to following the city's standard sign ordinances. In reviewing a signage plan, Council is asked to consider:

a. The extent to which the proposed signage plan deviates from the sign allowances otherwise applicable in this article.
b. The rationale provided by the applicant for the deviations.
c. The extent to which the signage plan promotes city goals for way-finding, pedestrian-orientation, and business identification.
d. The degree to which the signage plan creatively and effectively addresses the issues and constraints unique to the site with regard to signage.

This proposal is reviewed by City Council only and does not require any other reviews. If approved by Council, the applicant will submit a sign permit application to verify compliance with Council's decision.

The original signage plan was approved in April 2014 and was subsequently amended in April 2015. The approval and amendment allowed for:

- Freestanding Development Identification Signage (total of 5 signs, including the sign in question)
- Attached Identification Signage
- Banners on building facades and parking lot light poles
- Vehicular Directional Signs (total of 6 signs)
- Parking Area Location Signs

- Service Door Identity Signs

Retail/restaurant/entertainment are identified as one of the “Key Economic Development Trends” and flexibility with development standards to meet a large retail center’s identification needs serves as an effective development incentive.

The Asheville Outlets Sign Plan Amendment is not directly reflected in the 2036 Council vision but is most closely aligned with the goals for a “Well Planned and Livable Community” and a “Thriving Local Economy” by encouraging creativity in business identification and wayfinding.

Considerations:

- Provides clear and recognizable signage for a major regional shopping center.
- The current and proposed signs both comply with the city’s standards for a multi-tenant development sign.
- Is consistent with a coordinated and unifying theme for the development.
- Reduces the height, but increases the width, of the sign.
- Reduces the area dedicated to some or all of the tenants, making the text less legible to vehicular traffic.

Based on policies stated in the Comprehensive Plan and other plans staff does find this request to be reasonable and within the best public interest and recommends support of the proposed signage plan amendment as proposed.

Mr. W. Louis Bissette, Jr., attorney representing the applicant, was available for questions.

In response to Councilwoman Mayfield, Ms. Tuch explained how the sign is measured.

Mayor Manheimer opened the public hearing at 6:25 p.m., and when no one spoke, she closed the public hearing at 6:25 p.m.

When Councilman Smith suggested exploring policy options to further housing atop big box retail, Vice-Mayor Wisler suggested that this be added to the list of the comprehensive plan of items to be considered.

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

Vice-Mayor Wisler moved to approve the signage plan amendment to increase the number of tenant panels from six to 10 on the primary multi-tenant development sign, and find that the request is reasonable, is in the public interest, and is consistent with the Comprehensive Plan and other adopted plans in that it provides clear and recognizable signage for a major regional shopping center. This motion was seconded by Councilman Haynes and carried unanimously.

ORDINANCE BOOK NO. 30 - PAGE 310

D. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE REGARDING HOMESTAYS AND ACCESSORY DWELLING UNITS

ORDINANCE NO. 4505 - ORDINANCE AMENDING THE UNIFIED DEVELOPMENT ORDINANCE REGARDING HOMESTAYS AND ACCESSORY DWELLING UNITS

Mayor Manheimer said that since the last time this was addressed, we have three new Council members and there has been a lot of e-mails and research into this issue. She said that City Council cannot dictate what happens with the room tax and they can't do anything with the sales tax. Council has gotten a lot of communications from the public in support or in opposition, along with ideas to shape the issue of whether or not Accessory Dwelling Units (ADUs) should be allowed to be used as a homestay. Some suggestions include (1) capping the number of ADUs that would be allowed for a homestay in the City; (2) whether to allow newly constructed ADUs to be used as homestays or just grandfather in the existing ones; (3) make all ADUs homestays a conditional use permit (CUP) application process (all come to City Council for consideration); (4) make the CUP non-transferrable (no one could sell their ADU to someone else without going through the CUP process); (5) create a Task Force to make recommendations to Council around these issues; and (6) instead of banning all newly constructed ADU's from this process, to have a cooling off period of perhaps 5 years where you could not use the new ADU as a homestay. She encouraged the public to also comment on some of these suggestions, or others.

Principal Planner Shannon Tuch said that this is the consideration of an ordinance to amend the Unified Development Ordinance to expand the options for a homestay operation by allowing the use of an Accessory Dwelling Unit for guest accommodations when the property owner or resident manager resides on the same property and clarification of the current residency requirements. This public hearing was advertised on May 6 and 13, 2016.

Over the last two years, the City of Asheville has been engaged in a long and public conversation over the proliferation of short term rentals in the city's jurisdiction, and how best to regulate these rentals. Following a great deal of public input, the City Council has decided to retain its longtime prohibition on unoccupied, whole house (or dwelling unit) rentals in residential districts. However, on November 17, 2015, Council approved an ordinance amending standards for Homestays. This amendment removed several barriers and made it easier to establish a Homestay as a form of short-term rental that requires a full-time resident (resident-manager) of the property, who lives in the home on a permanent, full-time basis, and who is present when lodgers are present. This is reinforced in the *Unified Development Ordinance* (UDO) definition for Homestay which is as follows:

> *Homestay* means a private, resident occupied dwelling, with up to two guest rooms where overnight lodging accommodations are provided to transients for compensation and where the use is subordinate and incidental to the main residential use of the building. A homestay is considered a "Lodging" use under this UDO.

While the amendment successfully expanded the opportunity to obtain a Homestay permit, it did not allow the use of an ADU on the property to be used as part of the Homestay operation since these units were, by definition and by design, separate units and could not be occupied by both the resident(s) and guests. On December 8, 2015, the Asheville City Council requested that staff reexamine the use of ADUs as part of a Homestay and share its findings with the Planning & Economic Development Committee (PED).

A report was shared with the PED Committee on January 26, 2016, and Committee members reviewed draft text that could be considered to allow ADUs to be used as part of a Homestay. In addition to this review, committee members requested that staff provide more research and information and specifically asked for:

1) Data on the impacts this change could have on (affordable) <u>housing</u> and <u>neighborhoods</u>,
2) Feedback from neighborhood groups regarding their concerns, and
3) Benchmarking practices from other cities.

Additionally, related to Homestay regulation but not included in the original request from Council, staff has identified the need to clarify the resident-manager requirement in the Homestay standards and has included this clarified language in the same draft ordinance. This amendment

does not change the existing resident-manager requirement. It is intended to more clearly explain what is required to meet this requirement, by clarifying what is considered i) a full time resident; and ii) being present when lodgers are present.

Data & Metrics - In reviewing the request from the PED, staff looked into the ability to collect specific metrics related to housing and ADUs. Unfortunately, much of this data proved unavailable including the total number of historic ADUs in Asheville. It is known, however, that ADUs have been a development option in Asheville's single family neighborhoods since 1997 when the UDO was adopted and that there are numerous ADUs that pre-date any restrictions. While it is difficult to identify the total number of ADUs in Asheville, 37 permits were issued in the last two years.

Asheville also has access to various statistics and metrics from the recently completed *Asheville, North Carolina Region, Housing Needs Assessment* report which was updated in 2015. Basic metrics on affordable housing and related issues were gleaned from this document and are listed below:

- Between 2015-2020 the Asheville population is projected to grow 7.1% with household growth projected at 7.6% (p. Asheville-49)
- Asheville's rental housing is operating at an overall 0.9% vacancy rate with no vacancy among the tax credit and subsidized housing *(p. Asheville-49)*
- 43% of Asheville households will have incomes below $35,000 *(p. Asheville-5)*
- A household that is considered cost burdened spends over 30% of its income on housing (30% equals $875/month for a household earning $35,000/year) *(p. Regional-7)*
- Multi-family rents range from $832-3,300/month for the region *(p. Asheville-8)*
- The rental rates for vacation rentals are at least four times higher than conventional units *(p. Asheville-28)*
- A subleased room in a home rents for $300-710/month *(p. Asheville-29)*
- Over half of the Asheville population rents and does not own property *(p. Asheville-9)*

In addition, the following statistic was recently pulled from a news story on housing in the City of Asheville:

- The median rent for a two-bedroom unit in Asheville is $1,180/month, the highest in the state amongst the 10 large NC cities studied *(Asheville Citizen Times, April 12, 2016, Mike Cronin)*

Feedback from Committees and Neighborhood Groups - In addressing these items, staff met with a number of different stakeholder groups, city appointed committees and other community groups. The following is a summary of those meetings.

Affordable Housing Advisory Committee – Staff summarized the Council's request at the Committee's February 5, 2016, meeting. Committee members explained that the group had previously voted to not endorse the expansion of the Homestay ordinance to allow the use of ADUs citing that the support to allow accessory dwelling units by-right came from recognizing the need for housing, especially smaller more affordable units. The proposal to allow ADUs to be used for Homestays was felt to be contrary to that previous policy support and would have the effect of diminishing the availability of housing. Additionally, several members noted that loans will not be issued for the purpose of constructing an ADU and that individuals who are able to construct one are doing so through other resources such as savings, refinancing a mortgage or obtaining a home equity loan. In all instances, it was noted that these are households with resources not available to many community members.

Neighborhood Advisory Committee – This committee received a summary report on February 22, 2016, from staff and expressed support for the idea of soliciting feedback from residents and offered to help spread the request through their contacts. At least one member of the group questioned how the information would be used by Council in their decision.

Housing & Community Development Committee – Staff provided an update at two separate meetings of the HCD Committee. In the first meeting held on February 16, 2016, a summary of the Council's direction was presented along with ideas for input gathering. The HCD supported the outreach but recommended that staff consider developing a survey tool to make it easier for individuals to respond. This recommendation was followed and resulted in the *Open City Hall* survey discussed later in this report (see **Survey #1** below). During the second meeting held on April 12, 2016, the committee members heard an update from staff regarding the community input and other survey results. A motion to not support the expansion of the Homestay ordinance to allow the use of ADUs was made and passed unanimously (3:0).

Other stakeholder groups - In addition to the city appointed committees, staff also met with the Coalition of Asheville Neighborhoods, Grace Neighborhood Association and the Asheville Board of Realtors. In all instances, staff provided a brief summary of the Council's request and answered questions about the process and current ordinance.

Prior to the creation of the *Open City Hall* survey, individual members of the community emailed their thoughts on the subject. These individual responses are included as an attachment to this report and overlap, to some degree, with the responses received through the on-line survey. It should also be noted that one neighborhood association, Grove Park – Sunset Mountain, voted as an association to not support the opportunity to allow the use of ADUs as part of a Homestay operation.

Surveys - Recognizing the interest and value in data and community input, staff performed three separate surveys in an effort to understand: 1) community sentiment; 2) how other communities regulate ADUs as a short-term rental option; and, 3) how ADUs are currently being used in Asheville. A brief summary of these surveys follows with more detail included as attachments to this report.

Survey #1 – Using the city's new communication and public engagement tool, *Open City Hall*, the city invited stakeholders to respond to a short four-question survey that gauged community support for the use of ADUs for guest accommodations. The survey remained open for 17 days and it received 489 responses. Those who responded strongly supported the use of ADUs as a Homestay (76.3% v. 27.3%), but also disproportionately represented property owners as opposed to renters (89.6% v. 8.8%). The survey also asked respondents to identify potential impacts that may be experienced with the five most common responses being:

- Parking problems
- No impacts
- Noise
- Loss of housing
- Increased traffic/turnover

Survey #2 – This survey sought to benchmark how other cities regulated both ADUs and Homestays/short-term rentals. This survey includes responses from a number of North Carolina cities as well as other cities across the country that were of a similar size to Asheville and/or had been identified as having a relatively strong tourist economy. Of the 16 communities surveyed, only three did not allow ADUs. Of the 13 cities that did allow ADUs, six cities allowed them to be used for short-term renting and all included some special standards such as: minimum stay, a limit on the number of people and separation

requirements. The special standards for three of those cities included a requirement that the owner reside on the property.

Survey #3 – Staff contacted 13 Asheville property owners who were recently issued permits for an ADU that asked about their use or intended use of the ADU. Of the 13 individuals surveyed, seven were renting with one of those rentals being a Homestay – the rental rates ranged from $600-$850/month. The remaining six units were reserved primarily for friends and family (four respondents) or were being personally occupied (two respondents). When asked if they would consider a Homestay in the future seven respondents indicated "yes" while six replied "no".

Compliance with Comprehensive Plan:

Part 1 – The portion of the wording amendment to allow the use of ADUs as part of a Homestay operation for guest accommodations complies with City's Comprehensive Plan as it relates to Economic Development Goals and Strategies by reviewing and amending city development regulations and incentives to meet the technological and social changes of the local economic development situation. This same text language may also be contrary to the City's Comprehensive Plan as it relates to protecting, preserving and enhancing existing neighborhoods by potentially introducing business activity and related nuisances to existing residential neighborhoods.

Part 2 - The proposed language to clarify residency requirements is supported by the Comprehensive Plan in that it serves to effectively regulate the Homestay operation by maintaining oversight on the property, thereby controlling or mitigating any nuisance related issues.

2036 Council Vision Considerations:

Part 1 - The wording amendment to allow the use of ADUs as part of a Homestay operation can be seen to align with the 2036 Council vision in the following areas:

- **A Thriving and Local Economy.** This amendment seeks to expand an economic opportunity to Asheville residents that allows them to benefit from, and support, the existing tourism industry.
- **A Connected and Engaged Community.** Consideration of this amendment includes community input that was gathered through various tools and outreach efforts.

This same language may also be contrary to the 2036 Council vision goal of:

- **Quality Affordable Housing.** Introducing a potentially disruptive non-residential activity to a residential neighborhood may negatively impact the quality of life for those residents and, as an unintended consequence, incentivize the conversion of long-term housing into homestay operations.

The Planning & Zoning Commission reviewed the amendment at their May 4, 2016, regular meeting. Twelve members of the public spoke with seven individuals speaking in favor of the amendment to allow the use of an ADU as part of a Homestay operation and five speaking against. There was no public comment regarding the proposed clarification on residency requirements. After some deliberation, a motion to approve the wording amendment (both parts) failed 2:5. A second motion to 1) deny the use of an ADU as part of a homestay operation, and 2) to approve the clarifying language passed 5:2.

This amendment must receive approval from the Asheville City Council before going into effect.

Ms. Tuch noted that homestay permits are issued annually, so if there is a decision to move forward with the amendments and there was concern or unintended consequences, it

would be possible do a 12-month pilot and change the standards back and within a 12-month period regain compliance. Mayor Manheimer mentioned a number of other options to control or limit the activity or impacts of using ADUs as part of a homestay operation. Regarding the overall cap, she suggested some consideration be given as to what determines that number; and consideration be given to a city-wide cap or break it down by district or census track or some other defined area. Another option is a separation requirement. Limiting the number of days within a calendar year is impossible to enforce, so the option of a cooling off period has been suggested. Because the permits are issued on an annual basis we could enter into a period where someone has a homestay permit for a period of time (perhaps 1 year) and at the end of that year then the cooling off period (perhaps 1 or 2 years). Another part of that option might be for all new ADUs to enter immediately into the cooling off period, which would help discourage constructing new ADUs for the sole purpose of short term rentals.

This proposal appears to support some goals but may not support others. Prioritizing community goals is a policy decision and is best deferred to the appropriate decision makers. The supplemental research is informational, but not conclusive.

Mayor Manheimer opened the public hearing at 6:42 p.m.

The following individuals spoke in opposition of the wording amendment to expand the options for a homestay operation by allowing the use of an Accessory Dwelling Unit (ADU) for guest accommodations when the property owner or resident manager resides on the same property, for various reasons, some being, but are not limited to: commercial intrusion into residential neighborhoods, parking problems; noise; trash; loss of housing:

Mike Lewis
Casey Campfield, local business owner and local homeowner
Chuck Freeman
President of the Haw Creek Community Association
Barber Melton, member of the Coalition of Asheville Neighborhoods and member of the Affordable Housing Committee
David Rodgers
Will Hornaday
A resident on Nix Street
Janet Hart, resident on Baird Street
Grace Curry
Andrew Fletcher
Jane Mathews

The following individuals spoke in support of the wording amendment for various reasons, but mainly for the economic opportunity of local residents to benefit from the existing tourism industry and also to enable them to use this income to remain in their homes:

A resident
An operator of a homestay
Rebecca Robertson
Helen Powell-Busch, resident in the 5 Points Neighborhood
John Farquhar
Brandee Boggs
Jackson Tierney, Montford resident
Jonathan Wainscott
Anne Doherty
A resident

Ms. Billie Laughlin suggested Council defer a decision until after the Comprehensive Plan process is completed.

Mayor Manheimer closed the public hearing at 8:24 p.m.

Councilman Smith moved to approve the wording amendment modifying the standards in Sec. 7-16-1(c)(9)(c) and find that the request is reasonable, is in the public interest, and is consistent with the Comprehensive Plan and other adopted plans by clarifying zoning standards that regulate activities in order to promote harmony and compatibility with the surrounding neighborhoods. This motion was seconded by Councilman Bothwell and carried unanimously. This is clarifying the current residency requirements.

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Councilman Smith said that is an emerging and evolving issue. He has been an ADU resident here in Asheville and felt that was an important experience for him. He said we know: that 50% of Asheville's residents are renters; that Asheville is in severe multi-year housing crisis at all price points; that we have skyrocketing housing prices due to lack of supply; Asheville has the highest rents in North Carolina; Asheville was named the 6th most unsustainable housing market in the nation; short term rentals reduce housing supply; people are being pushed out of long term rentals to make room for short term rentals; expansion of homestays has been opposed by the Affordable Housing Advisory Committee, the Housing & Community Development Committee, Planning & Zoning Commission, Coalition of Asheville Neighborhoods, Children First Communities and Schools, Haw Creek Neighborhood Association, Grove Park Sunset Neighborhood Association and the Albemarle Park residents; out of state people are buying home to illegally rent short-term; the use has exploded since it's become more clear that the use is illegal; last year the rationale for expanding the ability to build an ADU on your property was to address the long-term rental housing crisis; cities all over are trying different ways to approach this; when housing developers come before Council, they ask them to mind the housing crisis and to mind the concerns of the neighbors; our current enforcement is inadequate and needs to be improved; cohesive neighborhoods are safer neighborhoods; and residential zoning has meaning and value. In trying to address the affordable housing crisis, Council is taking a multitude of tactics because they know there is no one thing that will solve this problem. Last year City Council made it easier for people to have homestays so they could tap into the local tourist market without jeopardizing affordable housing stock. He said that long-term renters in ADUs are not known and the number of existing ADUs is unknown. He said there is a deep division in Asheville on how to proceed and this Council voiced its displeasure and unwillingness to support the displacement of residents in Lee Walker Heights. He opposes the expansion of ADUs to the homestay operation for two reasons (1) we are in a historically severe housing crisis and anything that can reduce our housing stock is reckless and irresponsible; and (2) there are serious reasonable and historical concerns about commercializing our neighborhoods to open houses up to tourists all over Asheville. One issue that gives him pause is that some people report that they need this income to pay their mortgage, and he doesn't want anyone to be kicked out of their house. He asked Council to take a patient and prudent approach that we not worsen our housing crisis and we not radically alter the meaning of residential zoning and the neighborhoods that that zoning creates. Given a few years, he was confident we will understand these public policy options a lot better and get to a better place.

Councilman Smith then moved to deny the wording amendment modifying the standards in Sec. 7-14-3(b)(3)(a)(3) and find that the request is not reasonable, is not in the public interest, and is not consistent with the Comprehensive Plan in that it: (1) introduces a potentially disruptive use/activity in single family neighborhoods; and (2) will likely result in the reduction of housing in a market where housing is in scarce supply. This motion was seconded by Councilwoman Mayfield.

Councilman Smith said he will also make a motion for the creation of a Task Force to examine policy and processes regarding ADUs by people in dire straights who can't long-term

rent and who may lose their homes, and to refer the duration, make-up and purview of this Task Force to the Governance Committee with final approval to be made by City Council.

Councilman Bothwell said that he stayed in a homestay in Berlin and it was a wonderful experience. His bottom line is that black markets are impossible to regulate. The reason we don't know how many short term rentals there are in the City because outside of the ones that are legal in the commercial areas, they are not legal. We are not going to get control of an international internet operation at a local level. Until we make them legal, licensed, regulated and inspected, we will not get a handle on this issue. There is agreement on Council that they do not want to legalize whole home short term rentals. He suggested having legal homestays add their license to the ads in order for our enforcement staff to immediately identify if the property is legal or not. If we expand ADUs as a homestay operation we can immediately say that they must show their license number in the ad. He explained how the data on the internet is completely unreliable. When Council tries to get developers to add affordable units in large projects, Council incentivizes them with cash (tax breaks). We are not offering tax breaks to homeowners to keep their homes affordable. He believed the best way forward is to find a way to legalize ADUs as short-term rentals, find a way to grandfather the existing ones, and find a way to restrict new construction of ADUs so they cannot immediately short-term rent them. He felt that a lot of people got into the business completely innocent and did not know they were breaking the law. Some people invest significant amounts of money into ADUs. We felt we need to move forward with one of the options described. He suggested this be remanded back to City staff to look for answers in the shorter term. He said that the reports show that short-term rentals are not a big factor in affordable housing. He also noted that short term rental people keep up their properties better than our long-term landlords. He will vote against the motion because he is in favor of a path for legalization.

Councilman Young acknowledged this is a very complex and delicate issue. Affordable housing and the preservation of the fabric of our neighborhoods has been two common threads from e-mails and phone calls. There are a lot of assumptions being made on both sides. One is that if we pass this ordinance, we will erode affordable housing. The other assumption is that the actual homeowners that are doing this will make a concerted effort to rent long-term. And then another assumption is that if they rent long-term that the unit will be affordable. It is hard for him to limit the rights and enjoyment and use of one group of homeowners for the use and enjoyment of another group of homeowners. He has no sympathy for people who have purchased or built homes above their means with the anticipation of utilizing a service that is illegal. People have a personal responsibility to govern themselves accordingly and minimize their own risks. However, he will respect their rights to utilize their property in the way they see fit, with the understanding the City Council reserves the right to regulate that process and minimize the scope of intrusion on neighborhoods or neighbors. Lastly, he did not see anyone in the audience nor has he received any input from the African American neighborhoods. He said those people are struggling on a whole different level. Some can't even be approved for a home loan, let alone being allowed to rent a portion of their home for extra income. He will continue to remain objective but will also see this argument from his point of view - a battle of wills between middle and upper middle-class neighbors. And, if you own a home in Asheville you are de facto middle class. He will continue to lend his voice to solve this issue in a timely manner. He will vote against the motion with the hopes that we can come up with something different.

Councilwoman Mayfield agreed that this is a complex issue. She will support the motion because process is extremely important to her. We take issues like this through the City's processes, e.g., vetting it through all the different boards and commissions who voted not to change the rules. Those recommendations carry a lot of weight with her and even though she will not always agree with them, she will need to have a good reason to disagree with them. Another reason why she will not vote to change the rules is a policy reason. The previous Council made two ADU changes last year in order to expand the availability of housing in our community - not affordable, but housing generally. She agrees with that policy objective. This is only the first step in a whole series of policy changes that will get to the goal of increasing the

availability of housing stock by making it easier to build smaller homes, easier to build multi-unit structures on existing parcels of land, etc. We have to be cognizant of that policy objective behind each one of those and make sure we are not frustrating it by allowing all of that new expansion long-term housing to go into the short-term rental market. She is sensitive to the pleas from people about the fact that their ADU is the reason they can stay in their house. She is not interested in displacing anyone. She felt that a Task Force is a good idea, but it needs to be time limited to 3-4 months.

Councilman Haynes supported allowing ADUs to become part of the homestay operations and they should be highly regulated. He supported looking having staff investigate all the options. He could possibly support a Task Force if it had a short timeline. His main concern is that he knows that people need these rentals in order to survive in our town.

Vice-Mayor Wisler said that just taking the lid off of all ADUs doesn't address some of the uniqueness of ADUs. She feels there is a lot of room for compromise and opportunities to maybe allow some ADUs to be homestays, but she is convinced that there needs to be limitations and we don't currently have the right solution. She did not feel we are ready yet to allow all ADUs without some other regulations around it.

Mayor Manheimer said that she continues to have concerns about the integrity of neighborhoods. But she also worries about people who are being priced out of the home they may have purchased and are struggling to be able to stay in our community. She is more comfortable with the ADU concept because there is a long-term tenant or owner there to address issues that might come up with visitors. She liked exploring the idea of a cap, but we don't have any idea of the number of ADU's in our community. She felt a go-slow approach is a lot easier to manage than trying to open it up and then having to rein it back in. She also would be interested in exploring the idea of a CUP process which would allow Council to vet all applications and give the neighbors an opportunity to be heard. Our affordable housing crisis in Asheville is extreme and is also happening in other communities also struggling with this issue. She felt we need to find a balance that addresses the needs for those that are living in our community that are struggling to make sure they can continue to pay their mortgage with those residents that are here and enjoying their neighbor. She said that it is clear that one purpose of residential zoning is so your neighbor can't run a business out of their home. Yet running a homestay out your home is in essence operating a business out of your home - it's just a home-type business. But, the reason that we have those regulations in place is to preserve the integrity of our neighborhoods and to be able to give people some stability in their investment.

When Councilman Young asked if Councilman Smith would be willing to withdraw or table his motion in order to move in a different direction, Councilman Smith said that he would not because he he wanted to have as much clarity as possible with the knowledge that he will offer another motion to create a Task Force around the concerns raised. Councilwoman Mayfield agreed with Councilman Smith about the need for clarity.

The motion made by Councilman Smith and seconded by Councilwoman Mayfield carried on a 4-3 vote, with Councilman Bothwell, Councilman Haynes and Councilman Young voting "no.

Councilman Smith said if Council can find a way to allow those in dire straights, for whom long-term rental is impossible, in order to stay in their house, he moved to create a Task Force to examine policy and processes regarding the use of ADUs by people in dire straights who may lose their homes, and to refer the duration, make-up and purview of this Task Force to the Governance Committee with final approval to be made by City Council.

Councilman Bothwell said that every developer before Council advises them that without a tax break, their deal would fall through. He wondered how people would prove they are in dire straights. He noted the City does not perform need assessments.

Councilman Smith withdrew his motion.

Councilwoman Mayfield then moved to create a Task Force to look at policies and procedures around the issue of ADUs as homestays taking into consideration specifically the concerns expressed at this meeting specifically including (1) concerns around new ADUs being used as short-term rentals and therefore frustrating the policy objective of the rules City Council adopted last year; (2) concerns about people needing the income from ADUs and short-term rentals to remain in their home and in the City; and (3) exploring other strategies, including a cap or cooling off period, that will achieve the policy concern of City Council, and to refer the duration, make-up and purview of this Task Force to the Governance Committee with final approval to be made by City Council.

Councilman Bothwell felt it would make sense to create a Task Force to look ADUs as a use for the homestay operation. And, then the Task Force can look at options.

Councilwoman Mayfield said clearly City Council is not lifting the lid on all ADUs existing today and in the future to be used as short-term rentals. This next step is trying to address the concerns that have been expressed around people needing to stay in their homes and not wanting to frustrate the policy objective of the rules City Council adopted last year.

Councilman Smith seconded Councilwoman Mayfield's motion.

Councilman Bothwell asked for a friendly amendment to suspend enforcement efforts of existing ADUs until the Task Force report is received and acted upon by City Council. Because this is a separate issue which will need to be addressed by City Attorney Currin, Councilman Bothwell withdrew his friendly amendment request.

The motion made by Councilwoman Mayfield and seconded by Councilman Smith carried unanimously.

Councilman Bothwell then moved to suspend enforcement efforts of existing ADUs until the Task Force report is received and acted upon by City Council. This motion was seconded by Councilman Haynes.

City Attorney Currin explained that since the City already has enforcements underway with fines accrued, she didn't think the Council can take a blanket approach of forgiveness. And, more important, the Courts are clear that the City has an obligation to enforce their ordinances and there are cases when they don't, a citizen can bring an action and force the City to enforce their ordinances. Thirdly, ADUs are not a legal use to rent as a homestay, so basically the motion says that the City will let people violate the ordinance until it is amended and that can be problematic because it's not a legal use. The City will be enforcing the ordinance not to allow whole houses to be used as short-term rentals but allowing others to violate the law.

Councilman Bothwell now understood the reasoning behind not suspending enforcement efforts and withdrew his motion. But, he felt that if the Task Force takes six months, people may have to move out of town because they can't afford their house anymore, or they may have made financial plans around something they didn't even know was illegal. He was not comfortable with leaving people hanging.

At the request of Councilman Haynes, Mayor Manheimer said that she will convene a special Governance Committee meeting at which time they will offer suggestions for the make-up of the Task Force and bring it back to Council for their consideration at the June 14 meeting.

V. UNFINISHED BUSINESS:

VI. NEW BUSINESS:

A. RESOLUTION NO. 16-115 - RESOLUTION APPOINTING MEMBERS TO THE HAYWOOD STREET ADVISORY TEAM

Vice-Mayor Wisler, Chair of the Boards & Commissions Committee, said that this is the consideration of appointing three at-large members to the Haywood Street Advisory Team.

The following individuals applied for this vacancy: Grant Millin, Byron Greiner, Rob Carroll, Leslie LeBlanc, Gary Anderson, Susan Jones, Richard Fort, John Tyler Barnes, David Nutter, Bruce Hazzard, Kevin Teater, Susan Andrew, Janet Whitworth, Geronimo Owen and Beth Stickle.

On April 12, 2016, City Council instructed the City Clerk to arrange interviews for Richard Fort, Geronimo Owen, David Nutter, Gary Anderson, Susan Andrew and Leslie LeBlanc. Mr. Fort and Ms. LeBlanc were unable to attend the interview.

After Council spoke highly of the candidates, Geronimo Owen received 5 votes; David Nutter received 5 votes; Gary Anderson received 3 votes; Susan Andrew received 5 votes; Leslie LeBlanc received 2 votes; and Richard Fort received 1 vote. Therefore, David Nutter, Geronimo Owen and Susan Andrew were appointed as members to the Haywood Street Advisory Team.

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VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 9:25 p.m.

_____ _____

CITY CLERK MAYOR