

Minutes

Asheville City Council Planning and Economic Development Committee

3:30p, April 16, 2013
City Hall, First Floor Conference Room

Present: Vice Mayor Esther Manheimer, Chair; Councilmember Cecil Bothwell; Councilmember Marc Hunt

Staff: Gary Jackson, Bob Oast, Sam Powers, Stacy Merten, Jeff Staudinger, Lauren Bradley

The Planning and Economic Development Committee met on April 16, 2013, in the First Floor Conference Room, City Hall. Vice Mayor Manheimer called the meeting to order at 3:30 p.m.

1. Approval of Minutes

The Minutes from the February 26 meeting were approved as written.

2. Updates

No updates given

3. New Business

Pack Place

City Attorney, Bob Oast provided the Committee with recommendations from the working group. The working group would like to continue working on Pack Place issues. A direct lease is in the process of being drawn up for the Art Museum and Pack Place. The Art Museum would have shared space with Pack Place for the common area and full financial responsibility for the space leased by the art museum. Pack Place and the City of Asheville would retain an interest in any improvements and over time this would shift to the City of Asheville since the City acquired the property. The Art Museum will eventually occupy 54% of the space and Pack Place would occupy 46% of the space and the utilities would be allocated accordingly.

A joint committee would be established to develop a schedule of needs for the common areas of the building so that it could be presented to the Boards for inclusion into the budget and a contingency fund would be established to handle repairs for the common areas of the building. The Art Museum is undertaking construction on the building to establish a second main entrance and other improvements to customize the space to their needs and is responsible for paying for the construction costs.

Economic Incentives Policy Task Force

Executive Director of Finance & Strategic Planning, Lauren Bradley spoke to the committee about developing an Economic Incentives Policy Task Force that would make recommendations to the committee during the next four to six months concerning the economic development

incentives that the City of Asheville currently has and the possibility of any future incentives and asked if the committee had any ideas or recommendations.

Ms. Bradley explained that Buncombe County takes the lead on economic development incentives along with the EDC. The incentives from the City of Asheville provide added value through constructive creative approaches to problem-solving. The task force would work with city economic development partners to determine what tools the City of Asheville has to use for economic development and if there are other tools that could be added to the tool box to use for economic development. Include representation from the business sector.

The task force will report back to the committee in the next four to six months.

4. Unfinished Business

There was no unfinished business.

5. Presentations and Public Comment (3 minutes for up to 5 individuals)

Councilman Smith spoke to the Committee and suggested that the City of Asheville partner up with the EDC and Buncombe County to see how we might work better together. Could there be some incentives to offer to medium and smaller businesses such as loans for façade repair or parking lot repairs for small businesses that are located in strip centers. Councilman Smith also suggested that the City of Asheville possibly look at offering a payroll tax rebate for medium size businesses which would come from property tax revenues which would help them get people hired. Also, do the businesses that are being invited here, reflect the nondiscriminatory policies of the City of Asheville.

Mr. Powers explained that the economic incentives policy for manufacturing mirrors the threshold of the policy for the state of North Carolina.

Councilman Bothwell indicated that policies should look at smaller manufacturers and that he has heard from other businesses such as New Belgium that the City's incentives weren't a big factor in locating in the area; but it was the availability of water, location of interstates and the fact that the employees wanted to be here.

City Manager Gary Jackson explained to the committee that the companies relocating to the area hired a site selection consulting firm and there had to be a certain level of incentives available to make the first cut for consideration and then the deciding factors came into play.

Councilman Hunt stated that one of the principles is the creation of new jobs that wouldn't be located here without the program and the investment of capital.

Mr. Powers explained that the manufacturing projects that are eligible are projects that move the needle as far as investment in the community and are primarily driven by job creation. The incentives are based on the incremental increase in property taxes and bonus points are given if the business pays at or above the county wage rate and also pays health insurance for its employees.

Councilman Bothwell stated that he has been surprised that the sustainability bonus hasn't been utilized.

Councilman Hunt stated that the City of Asheville has been very creative through constructive approaches to problem solving and it has made a difference in encouraging new businesses to locate to the area.

Councilman Bothwell suggested that the City of Asheville try to develop a "zero energy" district similar to what Fort Collins, CO has done and possibly the river arts district would be a good area to try that.

Councilman Smith suggested that it would be helpful to have stakeholders from medium and smaller businesses represented.

Ms. Heather Nelson, Business Manager for the Asheville Art Museum spoke to the Committee about the thresholds for the art museum and the implication of signing the direct lease. There are two direct leases-one with the City and one with Pack Place. One of the major issues that will need to be satisfied prior to the direct lease is whether the building can be split into two separate entrances to satisfy the ADA requirements and code requirements.

The hope is that both leases will be signed together once everything has signed off.

6. **Pending Items- Updates to the signage code**
 - Sustainability
 - Real Estate Asset Management Plan
 - Steep Slopes

Staff will provide updates to these items and come back to the committee in June, July and August.

7. **Closed Session**

8. **Adjourn**

The meeting was adjourned at 4:50 p.m.