

MINUTES
September 6, 2018
REGULAR MEETING OF THE CITY COUNCIL
CITY HALL – COUNCIL CHAMBERS
5:45 p.m.

Present: Mayor Barbara G. Volk, Mayor Pro Tem Ron Stephens and Council Members: Jeff Miller, Steve Caraker and Jerry Smith

Staff Present: City Manager John F. Connet, City Attorney Samuel Fritschner, City Clerk Tammie Drake, Development Assistance Director Susan Frady, Engineering Director Brent Detwiler, Human Resources Director Jennifer Harrell, Stormwater Quality Specialist Mike Huffman, Budget and Management Analyst Adam Murr, Utilities Director Lee Smith, Fire Chief Joseph Vindigni, Public Works Director Tom Wooten, Senior Planner Matt Champion, Planner Daniel Heyman

1. Call to Order: Mayor Volk called the regular meeting to order at 5:45 p.m. and welcomed those in attendance. A quorum was established with five members in attendance.

2. Invocation and Pledge of Allegiance: A moment of silence for prayer was followed by the Pledge of Allegiance to the Flag led by Boy Scout Jayhawk Reese-Julien.

3. Public Comment Time: *Up to 15 minutes is reserved for comments from the public for items not listed on the agenda.* Mayor Volk asked those speaking to limit their remarks to about three minutes.

There was none.

4. Consideration of Agenda:

Removal from Consent Agenda:

G. Consideration of a Residential Anti-Displacement and Relocation Assistance Plan Under Section 104(D) of the Housing and Community Development Act of 1974, as Amended (duplicate item)

Addition to Agenda:

13a. Discussion of Closed Portion of Ninth Avenue

Council Member Caraker moved approval of the agenda as amended. A unanimous vote of the Council followed. Motion carried.

5. Consideration of Consent Agenda: *Consent agenda items are considered routine, non-controversial in nature and are considered and disposed of through a singular motion and vote.*

A. Consideration of Minutes: August 2, 2018 Regular Meeting

B. Consideration of Budget Amendments: Brian Pahle, Assistant Manager, presented the following budget amendments for Council's consideration:

i. Fund 460, Increase of \$17,823, Wastewater AIA CPO- Adjustment to move engineering personnel budget to the Wastewater AIA Capital Project Ordinance to more accurately reflect personnel time spent on the project. This amendment will not change personnel payment for time; this is an amendment to better track expenses.

2) Fund 467, Increase of \$3,650, Amendment to correct an overage in the Buncombe Street Stormwater Capital Project Ordinance.

C. Consideration of Changing the Intersection at Third Avenue/Blythe Street to a Three-Way Stop: Mr. Connet reported the City Council received a request from a concerned citizen regarding the lack of a pedestrian crosswalk at the intersection of Blythe Street and Third Avenue. Staff has reviewed this intersection and believes the best solution to the concerns would be the installation of stop signs on Third Avenue which would create a three way stop at this busy intersection.

D. Consideration of Capital Project Ordinance and Associated Budget Amendment for the Ladson Road Economic Development Project: Budget and Management Analyst Adam Murr submitted Water and Sewer Department has the opportunity to extend and improve water service on Ladson Road to provide economic development support to a new business joining our region. The City has coordinated with AgHC and Henderson County to recruit business and provide infrastructure resources. Specifically, the City will install a 16-inch water line to serve the new business and Ladson Road area in accordance with the Water and Sewer Master Plan.

Mr. Murr provided a Capital Project Ordinance to earmark funds for the Ladson Road Economic Development Project totaling \$270,450. Henderson County has partnered with the City for this project, agreeing to contribute \$50,000.

Ordinance #18-0958

CAPITAL PROJECT ORDINANCE FOR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE LADSON ROAD ECONOMIC DEVELOPMENT PROJECT

BE IT ORDAINED by the Governing Board of the City of Hendersonville, North Carolina that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1: The project authorized is a City infrastructure project described as the Ladson Road Economic Development Project.

Section 2: The following amounts are appropriated for the project:

Account Number	Account Name	Total Budget	
4220000	519000	Professional Services	\$ 30,900
4220000	559850	Contracted Services	\$ 208,300
4220000	599100	Contingencies	\$ 31,250
Total Project Appropriation		\$ 270,450	

Section 3: The following revenues are anticipated to be available via transfers from the Water and Sewer Fund for project expenses:

Account Number	Account Name	Total Budget	
4220000	998403	Transfer in from Pump Equip	\$ 220,450
4220000	447100	Reimbursements	\$ 50,000
Total Project Revenue		\$ 270,450	

Section 4: The Finance Director is hereby directed to maintain within the capital project fund sufficient specific detailed accounting records to satisfy the disclosure requirements of all the contractual agreements, if applicable.

Section 5: Funds may be advanced from the Water and Sewer Fund as necessary for the purpose of making payments as due. Reimbursement requests shall be made in an orderly and timely manner.

Section 6: The Finance Director is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and Section 4.

Section 7: The Finance Director is further instructed to include a detailed analysis of past and future revenues and expenses during each annual budget submission made to the Governing Board.

Section 8: Copies of this capital project shall be furnished to the City Clerk, Finance Director and City Manager for direction in carrying out this project.

ADOPTED by the City Council of the City of Hendersonville, North Carolina, on this sixth day of September 2018.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

Approved as to form: /s/Samuel H. Fritschner, City Attorney

Budget Amendment: Amendment to create the Ladson Road Economic Development Project Capital Project Ordinance. Amendment moves remaining funds from the nearly complete WTP Pumps & Equipment CPO to the Ladson Road Project. This amendment also establishes a mechanism for reimbursement from Henderson County for a portion of the project and authorizes expenditures as presented by staff.

E. Consideration of Residential Anti-Displacement and Relocation Assistance Plan per Section 104(d) of the Housing and Community Development Act of 1974: Removed for discussion.

F. Consideration of Amendment to the Fee Schedule to Include a Flat-Rate Sewer Charge: Utilities Director Lee Smith explained there are four customers who receive sewer service without water serve from the City. He proposed reinstatement of a flat-rate sewer charge that was inadvertently left off of the fee schedule. The amended fee schedule reflects:

Inside City Limits: sewer only – flat rate \$29.58 per month
 Outside City Limits: sewer only – flat rate \$44.66 per month

~~G. Consideration of a Residential Anti-Displacement and Relocation Assistance Plan Under Section 104(D) of the Housing and Community Development Act of 1974, as Amended~~

H. Consideration of a Resolution to Apply for a Neighborhood Revitalization Program (NRP), Community Development Block Grant Funding for The Grey Mill Apartment Project: Mr. Holloway presented the Residential Anti-Displacement and Relocation Assistance Plan per Section 104(d) of the Housing and Community Development Act of 1974.

RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN UNDER SECTION 104(d) OF THE HOUSING & COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED

WHEREAS, the City of Hendersonville anticipates award of 2018 Neighborhood Revitalization Program Funds; and

WHEREAS, the City of Hendersonville is required to adopt a Residential Anti-Displacement and Relocation Assistance Plan; and

WHEREAS, the purpose of this plan is to minimize residential displacement and to provide relocation assistance to displaced residents in a timely manner; and

NOW, THEREFORE, BE IT RESOLVED that the following constitutes the Residential Anti-Displacement and Relocation Assistance Plan for the City of Hendersonville:

The City of Hendersonville will replace all occupied and vacant occupiable low/moderate income dwelling units demolished or converted to a use other than low/moderate income housing as a direct result of activities assisted with funds provided under the Housing & Community Development Act of 1974, as amended, as described in 24 CFR 570.606 (b) (1).

All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the City of Hendersonville will make public the following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low/moderate income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of replacement dwelling units; and
6. The basis for concluding that each replacement dwelling unit will remain a low/moderate income dwelling unit for at least 10 years from the date of initial occupancy.

The City of Hendersonville will provide relocation assistance, as described in 570.606 (b) (2), to each low/moderate income household displaced by demolition of housing or by the conversion of a low/moderate income dwelling to another use as a direct result of assisted activities.

Adopted this sixth day of September 2018.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

- I. Consideration of Resolutions to Apply for a State Revolving Fund (SRF) Loans:** City Engineer Brent Detwiler presented resolutions required for State Revolving Fund loan applications for the Ashe Street neighborhood and the Fourth Avenue Water and Sewer Replacement Projects. He stated the North Carolina Department of Environmental Quality Division of Water Infrastructure (DWI) is accepting State Revolving Fund (SRF) loan applications for water and wastewater projects.

i. Ashe Street Neighborhood & Fourth Avenue Water Replacement:

Resolution #18-0960

RESOLUTION BY THE CITY OF HENDERSONVILLE CITY COUNCIL

WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of drinking water distribution systems, and

WHEREAS, The City of Hendersonville has need for and intends to construct a drinking water distribution system project described as the Ashe Street Neighborhood Water Replacement, and

WHEREAS, The City of Hendersonville intends to request state loan assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF HENDERSONVILLE:

That the City of Hendersonville, the Applicant, will arrange financing for all remaining costs of the project, if approved for a State loan award.

That the Applicant will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the Applicant agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Hendersonville to make scheduled repayment of the loan, to withhold from the City of Hendersonville any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the Applicant will provide for efficient operation and maintenance of the project on completion of construction thereof.

That John F. Connet, City Manager, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a loan to aid in the construction of the project described above.

That the Authorized Official, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Applicant has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 6th day of September 2018 at 145 5th Avenue East, Hendersonville, North Carolina.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

ii. Ashe Street Neighborhood & Fourth Avenue Sewer Replacement: At

Resolution #18-0961

RESOLUTION BY THE CITY OF HENDERSONVILLE CITY COUNCIL

WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of drinking water distribution systems, and

WHEREAS, The City of Hendersonville has need for and intends to construct a sewer collection system project described as the Ashe Street Neighborhood and 4th Avenue Sewer Replacement, and

WHEREAS, The City of Hendersonville intends to request state loan assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF HENDERSONVILLE:

That The City of Hendersonville, the Applicant, will arrange financing for all remaining costs of the project, if approved for a State loan award.

That the Applicant will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the Applicant agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Hendersonville to make scheduled repayment of the loan, to withhold from the City of Hendersonville any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the Applicant will provide for efficient operation and maintenance of the project on completion of construction thereof.

That John F. Connet, City Manager, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a loan to aid in the construction of the project described above.

That the Authorized Official, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Applicant has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 6th day of September 2018 at 145 5th Avenue East, Hendersonville, North Carolina.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

J. Consideration of the French Broad River & Mills River Intakes Design Engineering Agreement with Black & Veatch-Amendment 2:

City Engineer Brent Detwiler reported staff has received and reviewed a proposed amendment (#)2 to the professional engineering services agreement in place with Black & Veatch for engineering services associated with the new French Broad River intake and pump station and the Mills River intake relocation. This additional work will include design, permitting and bidding services required to construct the French Broad River raw water pump station and intake and to relocate the existing Mills River intake upstream of the NC Highway 280 (Bolyston) bridge. *[The agreement is on file in the office of the City Engineer.]*

K. Consideration of Agreements to Reimburse the City for a Portion of the Highway 280

Water Project: Utilities Director Lee Smith explained City staff recently had designed and permitted a project to extend a 12-inch water main along NC Highway 280 in Mills River from Presbyterian Church Road to Turnpike Road. This project is referred to as the NC Highway 280 Water System Improvements Project which will be constructed with City forces. The City has partnered with Mills River Fire and Rescue and Airo Way, LLC to construct this water main. Both partners require an 8-inch water main to serve their respective projects and agreed to reimburse the City for their respective portions of the project.

Mr. Smith explained the City's water system master plan calls for a 12-inch water main on this portion of NC Highway 280 so the City will construct a 12-inch water main. The City will cover the cost difference between an 8-inch water main and a 12-inch water main. He estimated the cost for the project is \$420,000. Mills River Fire and Rescue's portion of the reimbursement to the City is approximately \$270,000, and Airo Way's portion is approximately \$15,000. Upon completion of this project, staff will determine the final cost of the project, including the City's portion for oversizing this water main and generate an invoice to each of the partners based on the actual costs for the project.

L. Consideration of a Utility Relocation Agreement with NCDOT for Project U-5840, Old Airport Road Widening:

City Engineer Brent Detwiler reported NCDOT will be making improvements to SR-1545 (Old Airport Road) from US 25 to Mills Gap Road in Fletcher. As part of the project, a portion of the City's existing water distribution will have to be relocated. Per NC General Statutes the City is responsible for 25% of the costs associated with the relocation and 100% of "betterment" costs.

Mr. Detwiler reported there are several sections of the existing system in that area that are undersized and were identified in our water master plan as needing to be improved. Therefore, "betterment" costs are

associated with the project. An estimate has been provided by NCDOT's consultant detailing all of the costs.

Mr. Detwiler provided a draft copy of the utility agreement and requested the City Manager be authorized to execute the final agreement.

M. Consideration of Etowah Water Improvements Engineering Agreement-Amendment 2:

Mr. Detwiler reported an engineering agreement with Black and Veatch was executed in November 2016 to complete the design, permitting, bidding and award work associated with the Etowah Area Water System Improvements Project. Amendment 1 to this agreement was executed in March 2018 to cover the adjustment of the design and aligning several thousand feet of water line outside of its original alignment. The redesign required construction of an access drive from another location to the tank site. Easement acquisition for the tank access has been challenging and would likely require condemnation.

Mr. Detwiler reported another opportunity has presented itself and another access route has been identified which would result in approximately 800 less feet of 12-inch water line and several hundred less feet of asphalt drive. This will reduce construction costs significantly (well over \$100,000) not to mention costs associated with condemnation. Unfortunately, the project design was nearly complete when the property owners approached the City so there are design costs to finish the project (a not to exceed amount of \$75,000). He presented the proposed amendment #2 to the design services agreement and requested the City Manager be authorized to execute the agreement.

N. Consideration of Utility Extension Request for Water Service to Adventure Golf Carts Located on East Prince Road: Utilities Director Lee Smith presented the request of Adventure Golf Carts located on E. Prince Road for water service. This project is within the Zoning and Planning Jurisdiction of Henderson County who approved it in March 2018. Based on the information provided, he stated the City's system has the capacity to support this additional infrastructure and associated connections and recommended approval of the project contingent upon final approval of construction plans and specifications by the Water and Sewer Department.

O. Consideration of a Grant Project Ordinance and Associated Budget Amendment for:

Assistant Manager Brian Pahle provided the following for Council's consideration:

i. 319 Stormwater Grant Project:

Ordinance #18-0962

GRANT PROJECT ORDINANCE FOR THE EXECUTION, ACQUISITION, CONSTRUCTION, AND INSTALLATION OF THE 319 STORMWATER GRANT PROJECT

BE IT ORDAINED by the Governing Board of the City of Hendersonville, North Carolina that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1: The project authorized is a grant project described as the 319 Stormwater Grant Project.

Section 2: The following amounts are appropriated for the project:

Account Number		Account Name	Total Budget
3700000	559850	Construction Contract	\$ 175,000
3700000	529900	Supplies & Materials	\$ 2,000
Total Project Appropriation			\$ 177,000

Section 3: The following revenues are anticipated to be available via grant and loan proceeds:

Account Number		Account Name	Total Budget
3700000	499100	Loan Proceeds	\$ 77,000
3700000	498900	Grant Revenue	\$ 100,000
Total Project Revenue			\$ 177,000

Section 4: The Finance Director is hereby directed to maintain within the grant project fund sufficient specific detailed accounting records to satisfy the disclosure requirements of all the contractual agreements, if applicable.

Section 5: Funds may be advanced from the Stormwater Fund as necessary for the purpose of making payments as due. Reimbursement requests shall be made in an orderly and timely manner.

Section 6: The Finance Director is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and Section 4.

Section 7: The Finance Director is further instructed to include a detailed analysis of past and future revenues and expenses during each annual budget submission made to the Governing Board.

Section 8: Copies of this grant project shall be furnished to the City Clerk, Finance Director and City Manager for direction in carrying out this project.

ADOPTED by the City Council of the City of Hendersonville, North Carolina, on this sixth day of September, 2018.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

Budget Amendment: Fund 370, Total Expenditures: \$177,000; to establish the budget for the stormwater 319 grant. This budget involves work at the new Public Works Maintenance Facility project and additional stormwater improvements in Patton Park. A \$77,000 match is associated with the Public Works project.

ii. **SAFER Grant for the Fire Department:**

Ordinance #18-0963

GRANT PROJECT ORDINANCE FOR THE EXECUTION, ACQUISITION, CONSTRUCTION, AND INSTALLATION OF THE SAFER FIREFIGHTER PROJECT

BE IT ORDAINED by the Governing Board of the City of Hendersonville, North Carolina that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1: The project authorized is a grant project described as the SAFER Firefighters Project.

Section 2: The following amounts are appropriated for the project:

Account Number	Account Name	Total Budget
3650000 512100	Salary & Wages - Regular	\$ 197,943
3650000 512250	Salary & Wages - Holiday Pay	\$ 10,199
3650000 512800	Salary & Wages - Half-time	\$ 11,774
3650000 518100	FICA Tax Expense	\$ 14,932
3650000 518200	Retirement Expense	\$ 15,524
3650000 518300	Health Insurance	\$ 47,997
3650000 599100	Contingencies	\$ 922
Total Project Appropriation		\$ 299,291

Section 3: The following revenues are anticipated to be available via grant proceeds:

Account Number	Account Name	Total Budget
3650000 498900	Grant Revenue	\$ 299,291
Total Project Revenue		\$ 299,291

Section 4: The Finance Director is hereby directed to maintain within the grant project fund sufficient specific detailed accounting records to satisfy the disclosure requirements of all the contractual agreements, if applicable.

Section 5: Funds may be advanced from the General Fund as necessary for the purpose of making payments as due. Reimbursement requests shall be made in an orderly and timely manner.

Section 6: The Finance Director is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and Section 4.

Section 7: The Finance Director is further instructed to include a detailed analysis of past and future revenues and expenses during each annual budget submission made to the Governing Board.

Section 8: Copies of this grant project shall be furnished to the City Clerk, Finance Director and City Manager for direction in carrying out this project.

ADOPTED by the City Council of the City of Hendersonville, North Carolina, on this sixth day of September 2018.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

Budget Amendment: Fund 10 | 365, Total Expenditures: \$22,390 to establish the budget for the SAFER grant received by the Fire Department. This grant will provide funding for three additional fire fighters. The City will be responsible for 25% of the cost the first and second years, 65% of the cost the third year, and 100% for the fourth year and forward.

P. Consideration of a Request by the United Way of Henderson County to Serve Beer and Wine at their Event at the Berkeley Mills Ballfield: Downtown Economic Development Director Lew Holloway presented the request of the United Way of Henderson County to serve beer and wine at their inaugural Small Business League Kickball Tournament at Historic Berkeley Mills Ballfield. The event is associated with the initiation of the Small Business League undertaken by the board of the United Way of Henderson County to engage small business leaders within the community in the work of the United Way.

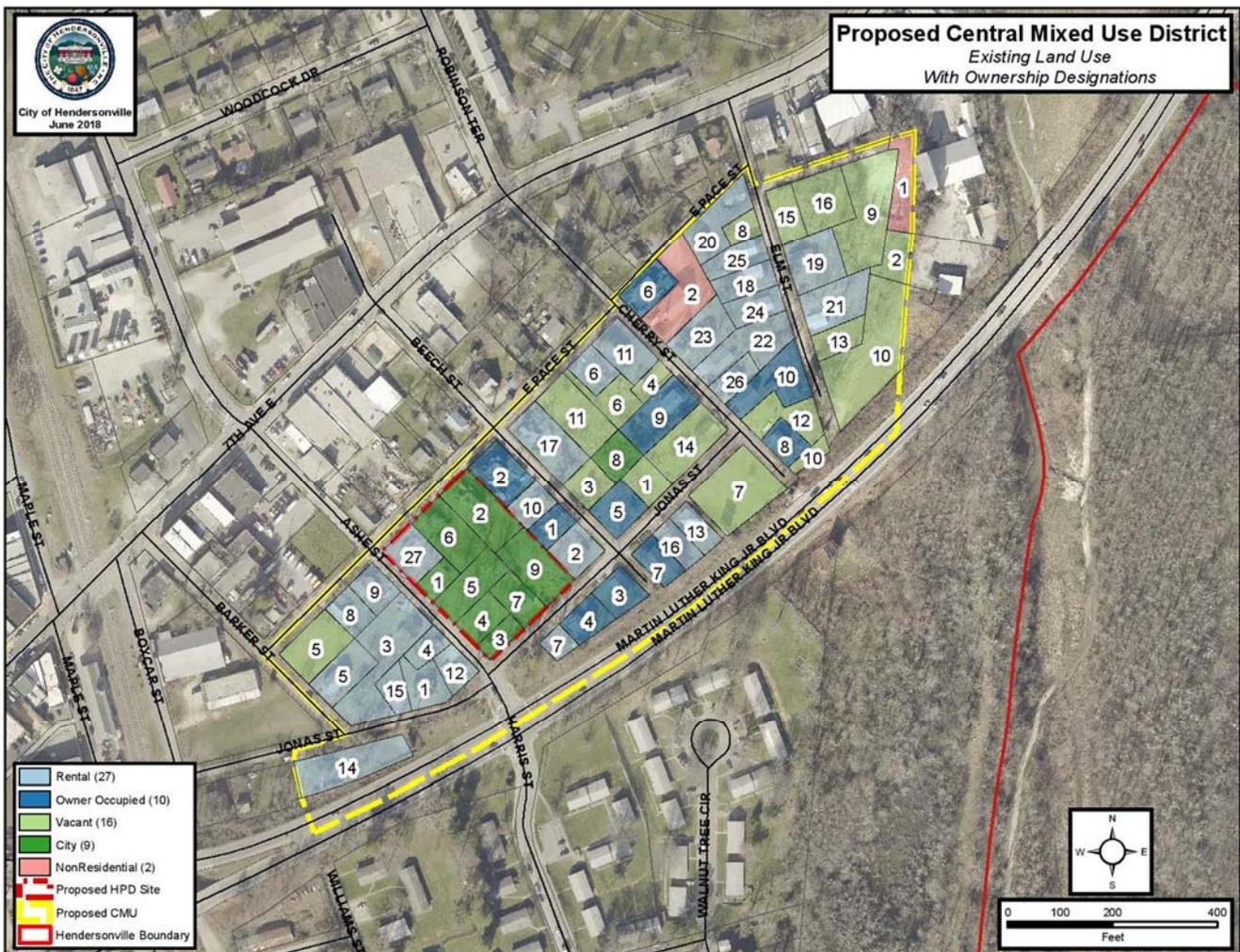
Council Member Smith asked to remove item e for discussion along with the public hearing. **Council Member Caraker moved Council to approve the remaining items on the consent agenda. A unanimous vote of the Council followed. Motion carried.**

6. Public Hearing to Solicit Public Input on Local Community Development and Needs in Relation to the Community Development Block Grant (CDBG) Neighborhood Revitalization Fund for Proposed Revitalization Projects Including Home Rehabilitation, Reconstruction, Acquisition, Replacement Housing, Clearance and the Temporary Relocation of Residents: Mr. Connet introduced Ashlyn Landreth with the Housing Assistance Corporation (HAC) explaining the City is partnering with HAC to apply for a Community Development Block Grant under the neighborhood revitalization fund for the Ashe Street neighborhood.

Ms. Landreth explained the neighborhood revitalization program is designed to provide grants to local units of government for housing related activities and support for low to moderate income persons. The grant amount is for \$750,000 through the Small Cities Community Development Block Grant Program, U.S. Department of Housing and Urban Development. All proposed projects must be completed within 30 months of the funding date which has not yet been established.

Ms. Landreth stated one of the national objectives must be met for each proposal. The objective of this project is to benefit low- and moderate-income persons (Direct or Area Wide Benefit).

Ms. Landreth explained 39.37% of the households in this Census Tract (9311.00) are below the poverty line. The residents qualify for the low and very low portion of the grant. She stated there are several abandoned, vacant and dilapidated home and a lack of sidewalks. She provided a map showing the households in the area.



Ms. Landreth stated proposed activities include: sidewalk installation, acquisition of vacant/unoccupied property, demolition of acquisition area, four interim housing units in partnership with HAC and a housing replacement option in partnership with HAC. She estimated the cost of these activities at \$748,375. Projects outside of the grant to assist in revitalize the area include: a water and sewer project by the City and home repair programs by the HAC.

How this relates to City’s overall goals: Ms. Landreth reviewed the implementation goals and strategies for housing in the 2030 Comprehensive Plan including:

- Maintain and enhance older neighborhoods so that they retain their value and viability in the face of demographic and market changes.
- Encourage a wide range of housing formats and price points in order to meet the diverse and evolving needs of current and future residents, match the housing supply with the local workforce, and promote diverse neighborhoods.
- Promote safe and walkable neighborhoods.

Ms. Landreth provided photos of possible housing replacement options done by HAC in the past.

Mr. Connet explained Council approved resolutions authorizing applications for SRLF for improving/upgrading the water and sewer on consent agenda.

At 5:58 p.m., the public hearing was opened by Mayor Volk in accordance with North Carolina General Statutes by notice published in the Hendersonville Lightning. The following addressed the Council:

Ken Fitch, 1046 Patton Street, commented on the concerns of rezoning a residential neighborhood and the future of the residential district. This is an important first step of upgrades. The City should be commended for taking this action. He hopes this initiative will spur responsible, compatible actions by other responsible property owners so actions will cumulatively enhance the neighborhood.

There were no further comments. The public hearing was closed at 6:00.

Council Member Smith asked Mr. Holloway to explain the City's commitment for housing because it is important for the public to know. Mr. Holloway explained the some of the allowable activities in the Residential Anti-Displacement and Relocation Assistance Plan (adopted in the consent agenda) include: the procurement and rehabilitation for low- to moderate-income housing. He stated this formalizes the City's commitment to replace occupied housing and to identify interim housing for those who may have to move while rehabilitation is done. He explained this begins the process by which those individual property owners are identified and an interim location for them before moving forward with rehab. He stated funds will not be used to reduce the overall number of low- to moderate-income units but to improve existing units and add to the total number of low- to moderate-income housing units.

Council Member Smith explained these funds are being spent to make homes better. Council Member Miller also commented this program is completely voluntary and the City is not forcing anyone to take the services offered. He stated it is an incredible opportunity.

Council Member Miller expressed appreciation to the staff who brought this opportunity to the Council.

Mayor Pro Tem Stephens asked if the program affects the 7th Avenue retail area or if it is for housing only. Mr. Connet stated funds will be used for housing only.

Council Member Smith moved the City Council approve the resolution authorizing the City of Hendersonville to make a formal application for Community Development Block Grant funding for the Seventh Avenue Revitalization Project in the amount of \$750,000, and further, to adopt the Residential Anti-Displacement and Relocation Assistance Plan per Section 104(d) of the Housing and Community Development Act of 1974, as amended. A unanimous vote of the Council followed. Motion carried.

Resolution #18-0964

RESOLUTION FOR THE CITY OF HENDERSONVILLE APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FOR THE 7TH AVENUE REVITALIZATION PROJECT

WHEREAS, the City of Hendersonville's Council has previously indicated its desire to assist in economic development efforts for small businesses/entrepreneurs within the City; and

WHEREAS, the Council has held two public hearings concerning the proposed application for Community Development Block Grant funding to benefit the revitalization of 7th Avenue area; and

WHEREAS, the Council wishes the City to pursue a formal application for Community Development Block Grant funding to benefit the revitalization of the 7th Avenue area; and will invest monies in the amount of \$750,000.00 into the project as committed to in the application; and

WHEREAS, the Council certifies it will meet all federal regulatory and statutory requirements of the State of North Carolina Community Development Block Grant Program.

NOW, THEREFORE BE IT RESOLVED, by the City of Hendersonville's Council that the City of Hendersonville is authorized to submit a formal application to the North Carolina Department of Commerce for approval of a Community Development Block Grant for the North Carolina Neighborhood Program to benefit the revitalization of the 7th Avenue area.

Adopted this the 6th day of September 2018 in Hendersonville, North Carolina.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

CITY OF HENDERSONVILLE, NC

RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN UNDER SECTION 104(d) OF THE HOUSING & COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED

WHEREAS, the City of Hendersonville anticipates award of 2018 Neighborhood Revitalization Program Funds; and

WHEREAS, the City of Hendersonville is required to adopt a Residential Anti-Displacement and Relocation Assistance Plan; and

WHEREAS, the purpose of this plan is to minimize residential displacement and to provide relocation assistance to displaced residents in a timely manner; and

NOW, THEREFORE, BE IT RESOLVED that the following constitutes the Residential Anti-Displacement and Relocation Assistance Plan for the City of Hendersonville:

The City of Hendersonville will replace all occupied and vacant occupiable low/moderate income dwelling units demolished or converted to a use other than low/moderate income housing as a direct result of activities assisted with funds provided under the Housing & Community Development Act of 1974, as amended, as described in 24 CFR 570.606 (b) (1).

All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the City of Hendersonville will make public the following information in writing:

1. A description of the proposed assisted activity;

2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low/moderate income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of replacement dwelling units; and
6. The basis for concluding that each replacement dwelling unit will remain a low/moderate income dwelling unit for at least 10 years from the date of initial occupancy.

The City of Hendersonville will provide relocation assistance, as described in 570.606 (b) (2), to each low/moderate income household displaced by demolition of housing or by the conversion of a low/moderate income dwelling to another use as a direct result of assisted activities.

Adopted this sixth day of September 2018.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

Approved as to form: /s/Samuel H. Fritschner, City Attorney

7. Public Hearing – Consideration of Installment Financing Agreement in an Amount not to exceed \$3,000,000 in principal to provide funding for several previously-approved projects: Construction of the Public Works Maintenance Facility at Patton Park, Main Street Corridor Restroom Facility and Whitmire Building Improvements:

Finance Director John Buchanan addressed the Council explaining staff is seeking permission to move forward with securing installment financing to fund the construction of the Public Works Maintenance Facility at Patton Park, the Main Street Corridor restroom facility and improvements to the Whitmire Building. He stated staff issued a request for proposals and are prepared to move forward with Council's permission.

Mayor Pro Tem Stephens asked what improvements will be made to the Whitmire building. Mr. Pahle explained it includes \$150,000 for the leveling and replacement of the flooring and expanding and repaving the parking area. Mr. Connet reported the roof was repaired recently.

At 6:08 p.m., the public hearing was opened by Mayor Volk in accordance with North Carolina General Statutes by notice published in the Hendersonville Lightning. No one expressed a desire to speak. The public hearing was closed.

Council Member Caraker moved Council adopt the resolution authorizing the negotiation of an installment financing contract and providing for certain other related matters thereto. A unanimous vote of the Council followed. Motion carried.

Resolution #18-0965

Resolution of the City Council of the City of Hendersonville, North Carolina, Authorizing the Negotiation of an Installment Financing Contract and Providing for Certain Other Related Matters Thereto

WHEREAS, the City of Hendersonville, North Carolina (the "City") is a municipal corporation validly existing as such under and by virtue of the constitution, statutes and laws of the State of North Carolina (the "State");

WHEREAS, the City has the power, pursuant to the General Statutes of North Carolina to (1) purchase real and personal property, (2) enter into installment contracts in order to finance or refinance the purchase of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased to secure repayment of the purchase price;

WHEREAS, the City Council of the City (the "City Council") has retained (A) Parker Poe Adams & Bernstein LLP, as special counsel ("Special Counsel") and (B) First Tryon Advisors, a business unit of First Tryon Securities, LLC, as financial advisor (collectively, the "Financing Team"), in connection with the installment financing;

WHEREAS, the City staff has solicited requests for proposal from financial institutions for the installment financing;

WHEREAS, the City Council hereby determines that it is in the best interest of the City to (1) enter into an installment financing contract (the "Contract") with a financial institution to be selected through the requests for proposal process (the "Lender") in order to provide funds to pay the capital costs of the (1) construction and equipping of a public works maintenance facility to be located at 1369 N. Main Street, (2) construction of public restroom facilities to be located at 125 5th Avenue W. and (3) improvements to the Whitmire Building, a recreation center, including parking lot expansion/repaving and the replacement of interior flooring, located at 310 Lily Pond Drive (the "Projects") and (2) in order to provide security for the City's obligations under the Contract, grant to the Lender a security interest under a deed of trust, security agreement and fixture filing (the "Deed of Trust") in all or such portion of the City's fee simple interest in the sites where the Projects are or will be located, together with all improvements and fixtures located thereon, as the Lender may require;

WHEREAS, the City hereby determines that the Projects are essential to the City's proper, efficient and economic operation and to the general health and welfare of its inhabitants; that the Projects will provide an essential use and will permit the City to carry out public functions that it is authorized by law to perform; and that entering into the Contract and Deed of Trust is necessary and expedient for the City by virtue of the findings presented herein;

WHEREAS, the City hereby determines that the Contract allows the City to purchase the Projects and take title thereto at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the City and that the sums to fall due under the Contract are adequate and not excessive for its proposed purpose;

WHEREAS, the City hereby determines that the estimated cost of financing the Projects is an amount not to exceed \$3,000,000 and that such cost of the Projects exceeds the amount that can be prudently raised from currently available

appropriations, unappropriated fund balances and non-voted bonds that could be issued by the City in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of financing the Projects pursuant to the Contract is expected to exceed the cost of financing the Projects pursuant to a bond financing for the same undertaking, the City hereby determines that the cost of financing the Projects pursuant to the Contract and Deed of Trust and the obligations of the City thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay which would thereby decrease the financial benefits of acquiring and constructing the Projects; and (3) insufficient revenues are produced by the Projects so as to permit a revenue bond financing;

WHEREAS, the City has determined and hereby determines that the estimated cost of financing the Projects pursuant to the Contract reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the City does not anticipate a future property tax increase to pay installment payments falling due under the Contract, but the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive;

WHEREAS, Special Counsel will render an opinion to the effect that entering into the Contract and the transactions contemplated thereby are authorized by law;

WHEREAS, no deficiency judgment may be rendered against the City in any action for its breach of the Contract, and the taxing power of the City is not and may not be pledged in any way directly or indirectly or contingently to secure any money due under the Contract;

WHEREAS, the City is not in default under any of its debt service obligations;

WHEREAS, the City's budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act, and external auditors have determined that the City has conformed with generally accepted accounting principles as applied to governmental units in preparing its Annual Budget Ordinance;

WHEREAS, past audit reports of the City indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the City has not been censured by the Local Government Commission of North Carolina (the "LGC"), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, a public hearing on the Contract after publication of a notice with respect to such public hearing was held on September 6, 2018 and approval of the LGC with respect to entering the Contract must be received; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA, AS FOLLOWS:

Section 1. Authorization to Negotiate the Contract. The City Manager, the Assistant City Manager and the Finance Officer, with advice from the City Attorney and Special Counsel, are hereby authorized and directed to negotiate on behalf of the City for the financing of the Projects for a principal amount not to exceed \$3,000,000 under the Contract to be entered into with the Lender in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended, and to provide in connection with the Contract, as security for the City's obligations thereunder, a security interest in all or such portion of the City's fee simple interest in the sites where the Projects are or will be located, together with all improvements and fixtures located thereon, as may be required by the Lender providing the funds to the City under the Contract.

Section 2. Application to LGC. The Finance Officer or his designee is hereby directed to file with the LGC an application for its approval of the Contract and all relevant transactions contemplated thereby on a form prescribed by the LGC and to state in such application such facts and to attach thereto such exhibits regarding the City and its financial condition as may be required by the LGC.

Section 3. Approval of the Financing Team. The Financing Team is hereby approved in connection with the financing of the Projects, and the City Manager, the Assistant City Manager and the Finance Officer are each hereby authorized to retain other persons or organizations as may be necessary and appropriate to carry out the intention of this Resolution.

Section 4. Ratification and Approval. All actions of the City, the City Manager, the Assistant City Manager and the Finance Officer, including anyone serving as such in an interim capacity, or their respective designees, whether previously or hereinafter taken, in effectuating the proposed financing are hereby ratified, approved and authorized pursuant to and in accordance with the transactions contemplated by this Resolution.

Section 5. Repealer. All motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 6. Effective Date. This Resolution is effective on the date of its adoption.

Adopted the sixth day of September 2018.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

8. Presentation on Small Boat Access along the Oklawaha Greenway at Berkeley Road: Mr. Michael Huffman introduced Jayhawk Reese-Julien, a Boy Scout from Troop 13, pursuing his Eagle Scout Award. For his Eagle Scout project, he stated he wants to give back to the rivers he grew up on.

Mr. Reese-Julien explained his project consists of a small boat access under Berkeley Road with granite steps leading to a wooden dock. He estimated the cost of the project at \$375. He expects to raise funds for the project and any funds not expended will be returned to City. The City will be donating he granite slabs for the steps and gravel.

Mr. Reese-Julien stated the ideal construction date is October 13, with a rain date the following weekend.

Mr. Reese-Julien stated the kayak river access is beneficial to Mud Creek because it creates safe access, increased river awareness, and support for the Oklawaha Greenway, a sense of community and ownership to the river and access to the greater French Broad Paddle Trail.

Mr. Reese-Julien expressed appreciation to Mike Huffman, Friends of the Oklawaha Greenway and the City for their consideration. Council Member Miller expressed his appreciation to Mr. Reese-Julien.

Council Member Caraker moved Council's approval of the installation of the boat access for Jayhawk Reese-Julien's Eagle Scout Project. A unanimous vote of the Council followed. Motion carried.

9. Consideration of Sidewalks on Grove Street: City Manager John Connet explained the Henderson County Transportation Advisory Committee (TAC) has begun their process of ranking the next group of transportation projects in Henderson County. He reported the highest-ranking pedestrian improvement project is the construction of sidewalks along Grove Street. He explained NCDOT's cost sharing program would require the city to contribute 20% of the funding for the project. Current estimates indicate the City's share will be \$144,608 and payment could occur in 2025 or 2026.

Mr. Connet stated the TAC is requesting the Council provide Councilman Caraker with guidance on whether or not they support this project and recommend that funds be allocated for the project in future Capital Improvement Programs. Council Member Caraker stated he will be seeking Council's opinion on future projects.

Council Member Caraker moved Council support the construction of sidewalks on Grove Street and recommend funding to cover the cost of this project be included in future Capital Improvement Projects. A unanimous vote of the Council followed. Motion carried.

10. Consideration of Contracts for the Construction of the Public Works Maintenance Facility: City Manager John Connet explained staff is ready to move forward with the construction of the new building and grounds facility. A review and revision of the contracts for the construction of the new building and grounds maintenance facility is complete and staff has received a Guaranteed Maximum Price (GMP) for the building of \$1,735,085; \$120,947 is included for design and administration for a total of \$1,856,032.

Mr. Connet requested the City Council approve contracts with Cooper Construction for the construction of the facility/guaranteed maximum price (GMP) and with Tamara Peacock Company Architects for construction administration. He recommended approval contingent upon the approval of the bank bids on September 25, 2018 and approve of financing by the Local Government Commission on October 2, 2018.

After discussion of the facility drawing, **Council Member Caraker moved the City Council approve the contracts for the construction of the building and grounds maintenance facility with a guaranteed maximum price of \$1,735,085.00 and approval of an AIA contract with Tamara Peacock Company Architects for construction administration. A unanimous vote of the Council followed. Motion carried.** Mr. Connet estimates approximately eight months for construction.

11. Discussion Regarding Additional Parking for the Whitmire Activity Center: City Manager John Connet reported staff has received requests for additional parking at the Whitmire Center. He stated in previous capital improvement and budget meetings, staff has discussed a plan to convert Tom's Park into additional parking for the Whitmire Center. He stated funds are budgeted for this project in the current fiscal year and are preparing to move forward with the design of the project. He requested Council's input on the proposal.

There was discussion of the number of parking spaces and not building within the flood plain. Mayor Pro Tem Stephens commented it is rare to see anyone in the park. Council Member Miller commented all standards will be met: landscaping, etc. Council Member Smith asked if the Community Theatre will have access to this parking. Mr. Connet sated yes. **The consensus of the Council was to move forward with converting Tom's Park into additional parking for the Whitmire Center.**

12. Consideration of Engineering On-Call Agreements for Water, Sewer and Stormwater Services: City Utility Director Lee Smith explained the City requires engineering services for the design and construction of various future projects for water, sewer, and stormwater. He stated in accordance with NCGS, the Utilities and Engineering Departments recently requested qualifications, received qualification statements and determined the three most qualified firms to provide these services. No local firms responded. The selected firms are:

McKim and Creed, Inc.: plant experience

Stantec Consulting Services, Inc.: a global company, utility engineers, will help with large projects

WithersRavenel, Inc.: expertise in pump stations and analyzing conditions related to pump stations and the system

There was some discussion of the expertise of the three firms.

Council Member Caraker moved Council to approve selection of the three most qualified firms for on-call professional engineering services and to authorize the City Manager to execute agreements with the three

selected firms: McKim & Creed, Inc., Stantec Consulting Services, Inc. and WithersRavenel, Inc. for said work as presented and recommended by staff. A unanimous vote of the Council followed. Motion carried.

13. Comments from Mayor and City Council Members:

A. Discussion of Discussion of Closed Portion of Ninth Avenue: Council Member Jerry Smith commented if the property of the Ninth Avenue street closing is not needed for a new high school, he would like to have the property returned to the City and the street reopened. Council Member Miller reported he has spoken to several Henderson County Commissioners who stated they would have no problem with that. He commended the members of the Board of Education and the Commissioners who are attempting to resolve the issues and wished them the best. **No action was taken.**

14. Reports from Staff:

A. Contingencies Report: In accordance with NCGS 159-13(b), Mr. Connet provided the following contingency appropriations:

- 1) Fund 10, \$1,394, Property Insurance
- 2) Fund 10, \$8,960, Fire Dept. Study
- 3) Fund 60, \$4,033, Property Insurance
- 4) Fund 60, \$3,600, Specialized Computer Equipment

B. Mr. Connet reminded the Council of a Special Council Meeting, September 25, 2018, 3:30 p.m. at City Hall to Consider the Bank Bids for the Construction of the Public Works Maintenance Facility, the Main Street Corridor Restroom Facility and the Whitmire Building Improvements and Revisions to the Development Agreement for the Grey Mill Building.

15. Consideration of Appointment to the Historic Preservation Commission and Report of Board Vacancies: City Clerk Tammie Drake presented the application of a citizen interested in serving on the Historic Preservation Commission. **No action was taken.**

Mrs. Drake also provided the vacancies on the boards/commissions.

16. New Business: There was none.

17. Request for Closed Session: to provide direction to staff regarding the disposition of property.

At 6:35 p.m., Council Member Caraker moved that the City Council enter Closed Session in accordance with NCGS 143-318.11(a)(5) and to establish. or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property. A unanimous vote of the Council followed. Motion carried.

The Council discussed the acquisition of property. **No action was taken upon exit of closed session.**

18. Adjournment: The meeting adjourned at 6:56 p.m. upon unanimous assent of the Council.

Barbara G. Volk, Mayor

Tammie K. Drake, City Clerk