Minutes for May 12, 2026, City Council Meeting

May 7, 2026, Agenda Briefing Worksession - 11:00 a.m.

Present

Vice-Mayor S. Antanette Mosley, Presiding; Councilman Bo Hess; Councilwoman Kim Roney; Councilwoman Sheneika Smith; Councilwoman Sage Turner; City Manager DK Wesley; City Attorney Brad Branham; and City Clerk Magdalen Burleson

Absent: Mayor Esther E. Manheimer and Councilwoman Maggie Ullman

Summary

City Council held an agenda briefing worksession to discuss the upcoming and future agenda items. In addition, City Council reviewed an upcoming City Council committee that will be taking place during the next two weeks.

Discussion occurred on the following other issues and updates: Community Development Block Grant - Disaster Recovery Single Family Home Repair & Reconstruction Program.

At 12:44 p.m., Mayor Manheimer adjourned the agenda briefing worksession.

May 12, 2026 - Regular City Council Formal Meeting - 5:00 p.m

Present

Mayor Esther E. Manheimer, Presiding; Vice-Mayor S. Antanette Mosley; Councilman Bo Hess; Councilwoman Kim Roney; Councilwoman Sheneika Smith; Councilwoman Sage Turner; Councilwoman Maggie Ullman; City Manager DK Wesley; City Attorney Brad Branham; and City Clerk Magdalen Burleson

Pledge Of Allegiance

Mayor Manheimer led City Council in the Pledge of Allegiance.

Mayor Manheimer read a statement regarding Chamber decorum.

I. Proclamations:

Councilwoman Roney read the proclamation proclaiming May 13, 2026, as "World Facility Management Day " in the City of Asheville. She presented the proclamation to Tony Rathbone and other City facilities workers, who thanked City Council for this recognition.

Councilwoman Ullman read the proclamation proclaiming May 17-23, 2026, as "National Public Works Week " in the City of Asheville. She presented the proclamation to Tiffany McCormick and other City Public Works employees, who thanked City Council for this recognition.

Councilwoman Ullman read the proclamation proclaiming May 15-22, 2026, as "Strive Not To Drive Week " in the City of Asheville. She presented the proclamation to Sandy Broadwell, who briefed City Council on some activities taking place during the week.

Mayor Manheimer read the proclamation proclaiming May 11-17, 2026, as "National Salvation Army Week " in the City of Asheville. She presented the proclamation to Captain Philip Stokes and Sherri Stokes, who briefed City Council on some activities taking place during the week.

Councilman Bo Hess read the proclamation proclaiming May, 2026, as "National Tennis Month" in the City of Asheville. He presented the proclamation to Ron Freeman Board member of the Asheville Tennis Association, who briefed City Council on some activities taking place during the month.

II. Consent Agenda:

A. Approval of the combined minutes of the agenda briefing worksession held on April 23, 2026, and the formal meeting held on April 28, 2026

B. Resolution Number 26-85 - Resolution to amend a contract with Diakin Applied Americas Inc. for building automation at Harrah's Cherokee Center - Asheville - Resolution Book No. 46 - Page 318

- HCCA has been upgrading the HVAC Building Automation System (BAS) for nearly three years (Software, service, computer and communications equipment)
- To date, approximately 85% of the Building Automation system has been upgraded.
- The current contract includes warranty coverage of parts related to controlled equipment failures, but does not include labor coverage.
- This amendment will adjust the contract to include both parts and labor when addressing warranty coverage of the controls equipment of the HVAC system at the facility.

- Control parts are replaced frequently at the HCCA, inclusion of labor within the BAS Service contract will ensure timely repairs and replacement when control equipment fails, reducing down time within the system.
- This will ensure seamless and continuous uninterrupted operations of the HVAC system controls during events.
- The additions allow better temperature control by HCCA staff and increased energy efficiency.
- Motion to adopt a resolution authorizing the City Manager to amend a Building Automation System warranty contract with Daikin Applied Americas Inc. to extend the current contract by 10 years and increase the total contract amount by $307,100 for a total contract not to exceed amount of $420,200 with a total term of 15 years.

C. Ordinance Number 5219 - Budget amendment, in the amount of $1,400,000, to the Harrah's Cherokee Center - Asheville operating fund to reflect updated Fiscal Year 2025-26 revenue and expenditure projections)- Ordinance Book No. 37 - Page 18

- HCCA revenues are expected to total $1,400,000 more than initially budgeted.
- HCCA operating expenses are expected to potentially total $800,000 more than initial budgeted.
- Capital repair and maintenance backlog continues at HCCA, transfer of $600,000 to capital fund will allow staff to continue effort to maintain and repair the facility.
- Concessions, ticketing and other show related revenues will cover all additional expenses; therefore, no additional transfer from the General Fund is required at this time.
- HCCA has 48 event dates booked in the final two months of the fiscal year.
- Motion to adopt a budget amendment in the amount of $1,400,000 to the HCCA operating fund to reflect updated fiscal year 2025-26 (FY26) revenue and expenditure projections.

D. Resolution Number 26-86 - Resolution authorizing the City Manager to amend a contract with Creditron for a maintenance agreement for a mail scanner for the Water Resources Department - Resolution Book No. 46 - Page 310

- The original contract was issued in 2023 for a 12 month term with three renewals.
- During the fourth year, the contract reached an amount of $92,510.18 which exceeded the $90,000.00 threshold.
- Creditron provides electronic remittance and lockbox processing for financial institutions, businesses, and government entities.
- Its platform utilizes advanced imaging, data recognition, and cloud-based technology for check and invoice processing.
- Payments received via US mail are processed and deposited electronically.
- Creditron is integrated with Tyler Munis to provide immediate payment posting on receipt for customers.

- Motion authorizing the City Manager to amend a contract with Creditron for maintenance agreement for a mail scanner for the Water Resources Department.

E. Resolution Number 26-87 - Resolution authorizing the City Manager to execute a multi-year Agreement with the Mills River Partnership, Inc., for the Mills River Watershed Best Management Practices project over three fiscal years contingent upon funding each year - Resolution Book No. 46 - Page 320

- In 2023, City Council authorized a three year agreement between the City of Asheville Water Resources Department and the Mills River Partnership (MRP) for a not-to-exceed amount of $180,000 to provide financial support of projects intended to protect and/or improve water quality in the Mills River Watershed.
- The department desires to continue to partner with the MRP to help fund water quality projects in the Mills River Watershed.
- The Water Resources Department is willing to provide cost-share funding for projects that are directly related to water quality protection and/or improvement.
- These activities include selection and installation of Best Management Practices to control contamination of the river from storm runoff, and educational materials and activities.
- The City of Asheville has an ongoing interest in watershed management. Water quality in the upper watershed continues to be excellent and overall water quality indices have improved during the past 10 years.
- The strategy now is to focus on efforts to protect and improve water quality.
- Funding initiatives are to be considered with an understanding of their long-term impact on water quality.
- The level of participation recommended is an amount up to $60,000.00 per fiscal year with the understanding that funding is project-specific and subject to the appropriation of funds.
- Motion to adopt a resolution authorizing the City Manager to execute a multi-year Agreement with the Mills River Partnership, Inc., for the Mills River Watershed Best Management Practices project for a not-to-exceed amount of $180,000.00 over three (3) fiscal years contingent upon funding each year. The level of participation recommended is an amount up to $60,000.00 per fiscal year for a maximum of three fiscal years with the understanding that funding is project-specific and subject to the appropriation of funds.

F. Resolution Number 26-88 - Resolution adopting Bond Order authorizing the issuance of Water System Revenue Bonds of the City of Asheville, North Carolina, in an aggregate principal amount not to exceed $51,000,000 - Resolution Book No. 46 - Page 321

Resolution Number 26-89 - Resolution of the City Of Asheville, North Carolina, authorizing the approval, execution and delivery of various documents in connection with the issuance of City of Asheville, North Carolina, Water System Revenue Bonds; providing for the sale of the bonds; setting forth the terms and conditions upon which the bonds are to be issued; and providing for certain other

matters in connection with the issuance, sale and delivery of the bonds - Resolution Book No. 46 - Page 324

- In May 2024, City Council adopted a resolution providing staff with authorization to enter into a contract with Wharton-Smith, Inc, including contingency, totaling $26,888,196 for the construction of the Mills River Water Treatment Plant Improvements Phase 2.
- In January 2026, City Council adopted a resolution providing staff with authorization to enter into a contract with TP Howard Plumbing, Inc, including contingency, totaling $8,948,500 for the Neighborhood Enhancement Project (NEP) Area 8 - Water Distribution.
- It was noted at the time for both projects that the City intended to fund the contracts through the issuance of long-term debt.
- Mills River Water Treatment Plant Improvements Phase 2 was also awarded a $5 million State Revolving Fund (SRF)/ARPA grant.
- With expenses to-date in the Miller River project now totaling approximately $11 million and significant additional spending expected to occur in both projects in the upcoming months, staff intends to move forward with applying to the LGC for issuance of the Water Revenue Bonds associated with the Mills River and NEP 8 projects and issue the Bonds in June of this year.
- In addition, based on advice from the City's external financial advisors and bond counsel, staff is recommending refinancing the outstanding 2015 Water System Revenue Bonds, which will result in net present value debt service savings of approximately $398,000.
- To cover the expenses from the both projects, debt issuance costs, and provide funding for the refunding of the 2015 Water Revenue Bonds, staff plans, in consultation with our financial advisors and bond counsel, to issue debt in an amount not to exceed $51 million.
- City Council approved the initial resolution directing application to the Local Government Commission (LGC) for the 2026 Water Revenue Bonds at its April 14, 2026 meeting, and the LGC approved the bonds at their May 5, 2026 meeting.
- Motion to adopt a resolution adopting Bond Order authorizing the issuance of Water System Revenue Bonds of the City of Asheville, North Carolina, in an aggregate principal amount not to exceed $51,000,000; and
- Motion to adopt a resolution of the City of Asheville, North Carolina, authorizing the approval, execution and delivery of various documents in connection with the issuance of City of Asheville, North Carolina, Water System Revenue Bonds; providing for the sale of the bonds; setting forth the terms and conditions upon which the bonds are to be issued; and providing for certain other matters in connection with the issuance, sale and delivery of the bonds.
- Sale of the Bonds is planned for June 3, 2026 of this year.

G. Resolution Number 26-90 - Resolution authorizing the City Manager to execute a contract amendment to the Plante Moran internal audit services contract.; and granting authority to execute subsequent amendments up to a maximum

not-to-exceed amount for supplementary internal audit program services - Resolution Book No. 36 - Page 328

- The mission of the City's Internal Audit division is to promote efficient, effective, and accountable city government by conducting financial, operational, and compliance audits of all City departments, divisions, and programs.
- The City utilizes a co-sourced model for Internal Audit Services in which audits are contracted out.
- City Council has previously approved the internal audit services contract with Plante Moran on June 24, 2025 for $115,000.
- The increased contract amount will allow Plante Moran to complete audit engagements that are underway in the current fiscal year.
- Motion to adopt a resolution authorizing the City Manager to execute a contract amendment to the Plante Moran internal audit services contract, increasing the contract amount by $13,120 and granting authority to execute subsequent amendments up to a maximum not-to-exceed amount of $165,000 for supplementary internal audit program services.

H. Resolution Number 26-91 - Resolution authorizing the City Manager to execute a Utility Relocation Agreement with Duke Energy for utility relocations for the Johnston Boulevard Sidewalk Utility Relocations Project; and to execute any change orders that may arise during the project up to the contingency amount - Resolution Book No. 46 - Page 329

- Johnston Boulevard Sidewalk is part of the 2016 Transportation Bond funded sidewalk improvements.
- This project will construct around 1 mile of sidewalk along Johnston Boulevard (S.R. 1319) between Patton Avenue (U.S. 19) and Iona Circle, near the Johnston Elementary School in Buncombe County.
- The purpose of this project is to improve mobility and safety on City streets and provide pedestrian connections to local schools.
- The project is in the construction phase (Council Resolution 25-220 dated, October 14, 2025) and requires the relocation of Duke electrical utilities.
- Motion to authorize the City Manager to execute a Utility Relocation Agreement with Duke Energy, and further, to award funding in the amount of $348,394.83, and further, to execute any change order that may arise during the project up to the Contingency amount of $34,839.48 (10%) for a Total Not to Exceed amount of $383,234.31 for Johnston Boulevard Sidewalk utility relocations.

One individual urged Council to present the public for options and input for all projects.

I. Resolution Number 26-92 - Resolution authorizing the City Manager to enter into a contract with VHB Engineering NC PC for design and engineering services for Helene Recovery Project - Citywide Road Structures Repairs and Replacements to repair and replace damaged bridges and large culverts; and further authorizing the City Manager to execute any change orders that may arise during the project - Resolution Book No. 46 - Page 330

Ordinance Number 5220 - Budget amendment to add federal and state funds to the General Capital Projects Fund for the Helene Recovery Project - Citywide Road Structures Repairs and Replacements Project - Ordinance Book No. 37 - Page 19

- The City of Asheville has a need to hire qualified engineering professionals to help the City rebuild its roadway infrastructure after catastrophic damage from Tropical Storm Helene.
- There are twenty-one (21) locations in the Helene Recovery Project - Citywide Roadway Structures Repairs and Replacements where standalone roadway conveyances were damaged from the storm, including bridges and box culverts.
- On November 20, 2025, staff posted a Request for Qualifications (298-FY26-PW-RFQ-RoadwayStructures - Helene Recovery Project) for professional services to design repairs or replacements to the damaged roadway structures.
- The statement of qualifications by interested firms were due December 15, 2026. Sixteen (16) statements of qualifications were received and evaluated by a five-member selection committee from the Public Works and Capital Management departments.
- The scope of design and engineering services encompasses:
    - Permanent restoration design services of the damaged infrastructure including FEMA PA restoration and cost-effective hazard mitigation projects to protect the infrastructure from future damage.
    - Structural inspections with formal inspection reports to include structure foundation review.
    - Structural and geotechnical design including professional services needed for any integral components to the structure.
    - Stream/flood/watershed modeling or stormwater calculations needed.
    - Applications for any necessary Federal, State, or Local permits.
    - Preparation of beneficial cost analysis and FEMA cost reasonableness for all designs to ensure the more cost-effective option.
    - Preparation of construction drawings and specifications, cost estimates, and bid documents.
    - Costs tracking associated with the multiple Federal and State programs for reimbursement and/or funding.
    - Construction administration during construction of repairs or replacements.
    - General structure maintenance recommendations or repairs as part of the regular inspections performed by NCDOT.

    - Motion to adopt a resolution authorizing the City Manager to enter into a contract with VHB Engineering NC PC in the amount of $6,246,094 for design and engineering services for Helene Recovery Project - Citywide Road Structures Repairs and Replacements to repair and replace damaged bridges and culverts; and further authorizing the City Manager to execute any change orders that may arise during the project up to the 15% contingency amount of $936,914; and approval of a budget amendment of $7,183,008 to add federal and state funds to the General Capital Projects Fund.

J. Monthly municipal property tax refunds or releases per n.c. gen. stat. sec. 105-381

- Buncombe County currently bills and collects City property taxes
- At the August 22, 2023, meeting, City Council approved an addendum to the existing tax collection agreement with Buncombe County to ensure that it fully conforms to the provisions of Chapter 105 of the North Carolina General Statutes, entitled The Revenue Act.
- As part of that compliance, the City Council must, on a monthly basis, approve all property tax releases and refunds that have been approved by the Buncombe County Board of Commissioners.
- City of Asheville refunds and releases for March 2026 are included in the document.
- Motion to adopt City of Asheville property tax refunds and releases for the month of March 2026.

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

Councilwoman Ullman moved for the adoption of the Consent Agenda. This motion was seconded by Councilwoman Roney and carried unanimously.

III. Presentations & Reports:

Manager's Report - Fiscal Year 2026-2027 Manager's Proposed Budget Presentation

City Manager Wesley thanked City staff who supported the development of this recommended budget, specifically the Finance and Management Services staff who did much of the heavy lifting. She said this is a balanced and disciplined budget. It makes targeted investments, while recognizing the very real financial pressures facing our residents and our organization. It does not attempt to solve every challenge in a single year, but it does move us forward in deliberate and meaningful ways. Council will see a continued focus on maintaining essential services, strengthening our workforce, and advancing key infrastructure and capital needs. Council will also see a commitment to financial stewardship that protects the City's long-term stability. She then provided City Council with the budget process timeline, financial environment, process objectives and balancing progress.

Regarding the balancing progress, after the April 14th work session, staff identified an additional $1.6M in budget reductions: eliminating additional vacancies; eliminating funding for initial salary study implementation; further reducing community center security contract; and continuing to suspend contribution to Other Post Employment Benefits Fund.

She reviewed the proposed budget summary; chart of revenues for all funds; and the chart of expenditures of all funds.

She then reviewed the General Fund revenue summary; and the Fiscal Year (FY) 2027 General Fund revenues. General Fund revenues consist of (1) Property taxes; (2) Sales tax held flat: trends show slow growth in revenue; (3) $1.1M in fee increases approved on 3/24, plus additional natural growth; and (4) Minor changes in other revenue sources.

She then reviewed the General Fund expenditures summary; the FY 2027 General Fund by function, along with the FY 2027 General Fund major expenditure drivers. The FY 2027 General Fund budget reductions for personnel and internal services consist of (1) eliminating a 1% 401(k) match previously offered to eligible employees; (2) eliminating a net of 16.5 vacancies; (3) identifying minor adjustments to the City's health care plans to offset growing costs; and (4) reviewing existing contracts and adjusting the budget to match historical spend rates

FY 2027 General Fund budget reductions in the service reductions include (1) reducing community center hours to pre-COVID levels; (2) pausing the annual contribution to the public art fund (while leaving the existing balance intact); (3) eliminating FY27 purchase of bear-proof trash cans; (4) reducing mowing services around guardrails and medians; and (5) reducing the hours for security services across community centers.

One-time balance strategies for the FY 2027 General Fund budget reductions include (1) continued pause of contribution to the OPEB (Other Post Employment Benefits) Trust Fund; (2) appropriating Transit Service fund balance to cover contract increase; and (3) appropriating Harrah's fund balance to support operations, replacing the usual General Fund transfer.

She then reviewed the FY 2027 General Fund ongoing investments for Public Health and Safety; Culture and Recreation; Community & Organizational Investments; and Strategic Investments.

Regarding the Homeowner Grant Program, (`) FY 2027 budget includes $75K for the Homeowner Grant Program, established and managed by Buncombe County; (2) the County is proposing to revamp the program and use the funds for Health and Human Services General Assistance; (3) the current program is underutilized. If funding is moved, more grants would be distributed because the requirements would be less restrictive and require less documentation; (4) owners would now be eligible for assistance even if they are utilizing other assistance programs; and (5) also expands potential use of funds beyond homeowners.

Regarding the General Obligation (GO) Bonds, (1) Asheville voters approved $80M in GO Bonds in November 2024 for improvements to Public Safety Facilities, Transportation, Parks, and Affordable Housing; (2) the estimated annual debt service on the bonds is $6.6M, including 1 Affordable Housing Project Manager; (3) the City delayed the tax rate increase in FY2026 due to Helene and the fact that revaluation did not occur; and (4) FY 2027 proposed budget includes 3/4 debt service, the Project Manager, and the tax rate increase ($4.95M).

Regarding the FY 2027 property tax revaluation, (1) FY 2027 is a revaluation year in Buncombe County; (2) as a result, as part of the budget process, the City is required to calculate and publish a revenue neutral tax rate, which shows what the property tax rate would need to be to achieve the same amount of revenue if revaluation had not occurred - The State provides a required methodology for how this calculation must be completed which is based on average annual tax base growth since the last revaluation occurred; (3) the current City property tax rate is **44.19 cents** per $100 of assessed value; (4) based on the revaluation numbers provided by the Buncombe County Tax Assessor as of April 22, City staff has calculated the revenue neutral tax rate to be 32.89 cents per $100 of assessed value; (5) to balance the General Fund budget and partially budget the 2024 GO Bonds, the proposed budget includes a FY27 tax rate of **37.84 cents** - 4.95 cents above revenue neutral; and (6) this rate could change prior to budget adoption if the County updates assessed valuation numbers before then**.**

She then reviewed the proposed property tax rate chart below:

Scenarios	**Tax Rate Above Revenue Neutral**	**Homeowner Impact (Annual)**	**Homeowner Impact (Monthly)**
Partially Budget 2024 GO Bonds & Affordable Housing Position ($4.95M)	1.77 cents	$85	$7.05
Close the Budget Gap ($8.9M)	3.18 cents	$152	$12.69
Total	**4.95 cents**	**$237**	**$19.73**

Assumes residential tax value of $478,500 and every 1-cent tax rate increase generates $2.8M.

Using a chart, she explained the FY 2027 property tax rate of $37.84 cents.

She explained Senate Bill 889 proposed changes as follows: (1) Senate Bill 889 proposes counties that conducted a property reappraisal effective January 1, 2026, would require a temporary adjustment in the values used for tax purposes. For Fiscal Year 2026-27, those counties would be required to use the schedule of values from their previous reappraisal rather than the newly updated values; (2) Bill would create a one-year delay in implementing updated property values in a limited number of counties including Buncombe; and (3) Bill would not limit local governments' ability to raise property tax rates.

The property tax rate under Senate Bill 889 (1) the current City property tax rate is **44.19 cents** per $100 of assessed value; and (2) bBased on the pre-revaluation numbers required under Senate Bill 889, the FY 2027 tax rate needed to balance the General Fund budget and partially budget the 2024 GO Bonds would be **51.13 cents** per $100 of assessed value, an increase of 6.94 cents above the current rate.

She reviewed the following scenarios for the State bill 880 proposed property tax rate chart:

Scenarios	Tax Rate Above Revenue Neutral	Homeowner Impact (Annual)	Homeowner Impact (Monthly)
Partially Budget 2024 GO Bonds & Affordable Housing Position ($4.95M)	2.48 cents	$87	$7.22
Close the Budget Gap ($8.9M)	4.46 cents	$156	$13.02
Total	**6.94 cents**	**$243**	**$20.23**

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

She then reviewed the Enterprise Funds highlights (1) Water Fund: $3.3M in new revenue from fee adjustments approved by Council on March 24 (a) increased funding for Water's capital program; and (b) offset operating inflationary cost increases; (2) Stormwater Fund: $626K in new revenue from fee adjustments approved by Council on March 24.(a) increased funding will be utilized for capital and to offset inflationary cost increases; and (b) plan to also utilize approximately $3M in fund balance for one-time capital costs and fee study; (3) Transit Fund: The fund is facing decreased revenue and increased costs: (a) $800K increase to transit contract; (b) $150K increase to paratransit based on increased use; and (c) increased costs and decreasing revenue has led to a $1.2M budget gap next year, which will be covered with Transit fund balance; (4) Parking Fund - Budget includes the expansion of meters into South Slope and other adjustments. Fee changes will be included as part of budget adoption; (5) Harrah's Cherokee Center Asheville (HCCA) Fund (a) budget is up due to anticipated increase in event load next fiscal year compared to this year; and (b) HCCA fund balance will be used to cover the transfer from the General Fund (one time); and (6) Street Cut Fund: Continuation of existing programs - Budget is down due to FY 2026 one-time fund balance use that is not repeated in FY 2027.

Regarding the BID fund, (1) the current tax rate for the BID is **8.77 cents**. After reval, the BID tax rate will decrease to the revenue neutral rate: **7.63 cents**; (2) property tax will be used to fund the BID management contract with Asheville Downtown Improvement District (ADID); and (3) the FY 2027 budget also includes $400K in anticipated sales tax revenue (a) a portion of the sales tax revenue will be used to fund holiday events and the AVL Arts Grant Program ($174K); and (b) staff, in coordination with ADID leadership, will present additional options to Council on how to utilize the remaining sales tax revenue at a later date.

Regarding the FY 2027-3031 CIP, (1) over the next 5 years, the CIP will support some significant capital investments, which will include relying upon external funding partners to support some of the identified project; (2) Helene recovery will occupy a large portion of the City project delivery resources over the next 5 years. A portion of the annual CIP capacity will be reserved as a funding buffer; and (3) staff will continue to focus on long range capital planning in order to ensure strategic capital investment She reviewed the FY 2027-203` General Fund CIP development.

The General Fund FY 2027 capital highlights include (1) annual funding to address facility maintenance needs; (2) Fleet replacement, including buses and fire apparatus; (3) supplemental funding for 2024 GO bond projects: pickleball courts, Fire Station 8, Shiloh community center, Smith Mill Creek Greenway; (4) funding to match a N.C. Department of Transportation grant to construct a pedestrian bridge at Craven Street; (5) sustainability Allocation: funding for capital projects to support costs arising from the inclusion of more sustainable and energy efficient design elements; (6) Public Art: usually a pay-go transfer from the General Fund, this was paused in FY27 as a budget balancing strategy; and (7) Tropical Storm Helene Recovery Contingency: set aside for potential funding gaps in recovery projects.

The Enterprise Fund FY 2027 Capital highlights include (1) Water: Waterline replacement at Coxe Ave, funding to relocate water lines impacted by NCDOT projects, and regular maintenance of water lines; (2) Parking: Maintenance at Harrah's and Biltmore Garages; and (3) Stormwater: Edwin Place, Celia Place, and Canterbury Drive Drainage.

City Manager Wesley concluded by saying that the next critical steps are public hearing on May 26, 2026, and the final budget adoption on June 9, 2026. She looked forward to engaging with Council and the community over the next weeks as we finalize this budget.

Throughout the presentation, City Manager Wesley responded to various questions/comments from Council.

IV. Public Hearings:

A. Public hearing and adoption of the preliminary resolution authorizing the issuance of 2026 Interim Limited Obligation Bonds

Resolution Number 26-93 - Resolution authorizing the negotiation of an Installment Financing Contract and providing for certain other related matters thereto - Resolution Book No. 46 - Page 331

Resolution Number 26-94 - Resolution Requesting the Release of Property from a Deed of Trust related to Limited Obligation Bonds - Resolution Book No. 46 - Page 335

Director of Finance and Management Services Tony McDowell said that this is the public hearing to consider adoption of a resolution authorizing the negotiation of an Installment Financing Contract and providing for certain other related matters thereto; and a resolution requesting the release of property from a Deed of Trust related to Limited Obligation Bonds This public hearing was advertised on May 1, 2026.

- The City has been utilizing a multi-year Capital Improvement Program (CIP) and Debt Model since fiscal year 2013-14.
- As a part of that multi-year financial model, the City routinely enters into short-term draw programs with financial institutions through the issuance of interim Limited Obligation Bonds (LOBs).
- The short term draw programs provide cash to reimburse the City for capital expenses prior to the issuance of long term fixed rate financing.
- Staff is seeking Council approval of the initial resolution authorizing the installment financing and related issuance of 2026 Interim Limited Obligation Bonds (LOBs) in an amount not to exceed $40,000,000. The projects covered under this debt issuance include a wide range of strategic capital goals the City wishes to meet in public safety, multi-modal transportation, parks & recreation, and facility maintenance.
- Specific projects of note covered under this debt issuance include repairs to the Municipal Building and as well other city facilities, maintenance to various parking garage structures, various street improvements/resurfacing, fire apparatuses and Transit buses.
- Staff is also seeking Council approval requesting the release of property from a Deed of Trust.
- Approval of the final resolution is scheduled for Council's May 26, 2026 meeting.
- A public hearing is required prior to Council's approval of the final resolution.

Mayor Manheimer opened the public hearing at 6:18 p.m., and when no one spoke, she closed the public hearing at 6:18 p.m.

Councilwoman Ullman moved to adopt a resolution authorizing the negotiation of an Installment Financing Contract and providing for certain other related matters thereto. This motion was seconded by Councilwoman Turner and carried unanimously.

Councilwoman Ullman moved to adopt a resolution Requesting the Release of Property from a Deed of Trust related to Limited Obligation Bonds This motion was seconded by Councilwoman Turner and carried unanimously.

A. Public Hearing to Permanently Public Hearing To Permanently Close A Portion Of Unopened Right-Of-Way On The Western Edge Of Saint Dunstan's Road Between 159 Saint Dunstan's Road and 183 Saint Dunstan's Road

Resolution Number 26-95 - Resolution To Permanently Close A Portion Of Unopened Right-Of-Way On The Western Edge Of Saint Dunstan's Road Between 159 Saint Dunstan's Road and 183 Saint Dustan's Road - Resolution Book No. 46 - Page 338

City Traffic Engineer Chris Carines said that this is the consideration of a public hearing and adoption of a resolution to permanently close a portion of unopened right-of-way on the western edge of Saint Dunstans Road between 159 Saint Dunstans Road and 183 Saint Dunstans Road. This public hearing was advertised on April 17, 24, and May 1 and 82026.

- North Carolina General Statute § 160A-299 grants cities the authority to permanently close streets and alleys. The statute requires City Council to consider whether the closure of the right-of-way has a negative impact to the public interest, the property rights of any individuals, and whether the closure would impede access to parcels, utilities, and other public infrastructure.
- Susanne Godsey petitioned for this closure on behalf of herself and the property owners adjacent to the area requested to be closed on Saint Dunstan's.
- When Saint Dunstan's Road was originally platted in 1922, the roadway included a widened area in the northwest corner and a small triangular-shaped island referred to on the plat as a "parkway".
- The "parkway" island was constructed and a portion of it remains today; however, the roadway area shown in the original plat on the west side of the island does not appear to have ever been constructed and has never been maintained by the City as part of Saint Dunstan's Road.
- Instead, this excess unopened portion of the right-of-way area has served as driveway access to the parcels/homes there, and until recently the property owners were unaware that their properties did not access Saint Dunstan's Road.
- Therefore, this action is seeking to close the excess unopened right-of-way to enable the division of the area among the parcels seeking the closure, which will allow them to construct driveways to access Saint Dunstan's.
- Two utility easements are required to be retained within the area to be closed, including a 10-foot drainage easement for stormwater for a future swale on Saint Dunstan's and a 20-foot easement for water infrastructure.

Mr. Cairnes said the request is to close a portion of unopened right-of-way on the western edge of Saint Dunstan's Road, between 159 and 183 Saint Dunstan's Road. Susanne and Lane Godsey petitioned for the closure on behalf of themselves and the property owners adjacent to the right-of-way. The closure will allow these homes to construct driveways that will connect to the legal public right-of-way of Saint Dunstan's Road. When Saint Dunstan's Road was originally platted in 1922, the roadway included a widened area in the northwest corner and a small triangular-shaped island referred to on the plat as a "parkway." The "parkway" island was constructed and a portion of it remains today. However, the roadway area shown in the original plat on the west side of the island does not appear to have ever been constructed and has never been maintained by the City as part of Saint Dunstan's Road. This excess unopened portion of the right-of-way has served as driveway access to the parcels/homes. Until recently, the property owners were unaware that their properties did not legally access Saint Dunstan's Road. The closure will allow the homeowners to construct driveways to access Saint Dunstan's. Regarding Committee and Commission recommendations, (1) Historic Resources Commission - May 14, 2025 - approved certificate of appropriateness for proposed right-of-way closure (as it related to St. Dunstan's Historic District); and (2) Technical Review Committee - March 16, 2026, recommendation was to approve the closure; The Multimodal Commission is not currently meeting, but they are not legally required to review closure requests. Staff recommends City Council adopt a resolution to permanently close a portion of unopened right-of-way on the western edge of Saint Dunstan's Road, between 159 Saint Dunstan's Road and 183 Saint Dunstan's Road.

Mayor Manheimer opened the public hearing at 6:22 p.m., and when no one spoke, she closed the public hearing at 6:22 p.m.

Councilwoman Turner moved to adopt a resolution to permanently close a portion of unopened right-of-way on the western edge of Saint Dunstan's Road, between 159 Saint Dunstan's Road and 183 Saint Dunstan's Road. This motion was seconded by Councilwoman Ullman and carried unanimously.

C. Public hearing to consider a conditional zoning 99999 Caribou Road from RS-4 Residential Single-Family Medium Density to Residential Expansion - Conditional Zone for the purposes of constructing a 100-unit multi-family development

Principal Planner Will Palmquist said that this is the consideration of an ordinance to conditionally zone 99999 Caribou Road from RS-4 Residential Single-Family Medium Density to Residential Expansion - Conditional Zone for the purposes of constructing a 100-unit multi-family development. This public hearing was advertised on May 1 and 8, 2026.

Project Location and Contacts:

- The project site totals 9.5 acres located at 99999 Caribou Rd (PINs 9657-11-3881, 9657-11-5981, 9657-11-5478, and 9657-11-3108).
- Owner: Harry and Linda Giezentanner
- Developer: Pennrose LLC

Summary of Petition:
Project Site

- The project area consists of four properties totalling 9.5 acres located at 99999 Caribou Rd in the Shiloh Neighborhood, and identified in the Buncombe County land records as PINs 9657-11-3881, 9657-11-5981, 9657-11-5478, and 9657-11-3108.
- The site is currently zoned Residential Single-Family Medium Density (RS-4).
- The site is currently vacant. An existing single-family house on the property was demolished in 2023.
- A stream runs through the site which requires 30'-wide stream buffers on each side.
- Given the size of the project (over 50 residential dwelling units) a conditional zoning to the Residential Expansion - Conditional Zone (RES EXP - CZ) district is required.
- Based on the Living Asheville Comprehensive Plan Future Land Use Map (FLUM) the property is currently designated "Traditional Neighborhood." A change in the Future Land Use Map is not required.

Overall Project Proposal

- New building construction includes two 3/4-story multi-family buildings and four quadplex buildings, totalling 100 affordable housing units, as well as a clubhouse building.
    - The quadplex buildings are proposed as one-story in height and arranged in four separate townhome-style buildings, each with four dwelling units, and are located in the northern section of the site.
    - The one-story clubhouse building is proposed in the northern section of the site surrounded by the quadplex buildings.
    - The two multi-family buildings are proposed as split 3- and 4-story structures, each with 42 dwelling units, and are located in the southern section of the site.
- Other site improvements include surface parking, new sidewalks, and a playground.

Technical Modifications

- The project is seeking technical modifications to development standards through the conditional zoning process including:
    - Sidewalk widths of 6' on Caribou Rd and 5' internally, instead of the 10'-wide standard.
    - Encroachment of driveways and sidewalks into the landscape buffer of approximately 1,200 linear feet along the western edge of the project site.
    - Street trees planted on Caribou Rd in excess of the 20' maximum distance from the edge of pavement, not to exceed a 50' maximum distance.

Site Layout and Design

- Maximum building height for multifamily buildings in the RES EXP district is 60 feet. The maximum building height of the proposed project is approximately 43'

as measured to the ceiling of the highest floor.

- Maximum density in the RES EXP district is 50 units/acre for projects proposing affordable units.The proposed project's density is 10.5 units/acre.
- Front yard, rear yard, and side yard setbacks of 15 feet are required in the RES EXP district. The project is compliant with the minimum required setbacks.
- Maximum impervious surface in the RES EXP district for multifamily uses is 80%. The proposed project would result in a total impervious area of 61%.

Access, Sidewalks and Parking

- Access to the site is from a driveway on Caribou Rd.
- Sidewalks are proposed at 5' in width along the project's frontage on Caribou Rd and internal to the site.
    - The project is seeking a technical modification for sidewalk widths of 6' on Caribou Rd and 5' internally, instead of the 10'-wide standard.
- An unopened right-of-way runs through the northern section of the site and is proposed to be closed.
- A total of 172 parking spaces are proposed for the project. Based on the number of bedrooms and dwelling units, the minimum/maximum number of required parking spaces is 116/216 for the RES EXP district.
- Bicycle parking is required at a rate of 10% of the total number of residential units, which equates to 10 required bicycle parking spaces, which the project is proposing with the final location to be determined.

Landscaping / Open Space / Tree Canopy

- Landscape requirements apply, including street trees, property buffers, building impact, and parking lot landscaping.
- Street trees are required as being one small maturing tree for every 30 linear feet of property abutting Caribou Rd where overhead utilities are present, resulting in 2 trees.
    - The project is seeking a technical modification for street trees planted on Caribou Rd in excess of the 20' maximum distance from the edge of pavement, not to exceed a 50' maximum distance.
- A 20'-wide "Type A" landscape buffer is required where the site is adjacent to single-family and multi-family zoning districts, which includes the north, which includes the northern and western boundaries of the site.
    - The project is seeking a technical modification for the encroachment of driveways and sidewalks into the landscape buffer of approximately 1,200 linear feet along the western edge of the project site.
- Parking lot landscaping requirements equate to 59 trees and 236 shrubs required which are proposed and detailed on the Landscape Plan.
- Building impact landscaping is required as being one tree and two shrubs for every 1,000 square feet of building footprint, equalling 53 trees and 106 shrubs.
- Open Space is required at a rate of 50% of the site, or a rate of 20% of the site if the project meets the incentive requirements for either enhanced stormwater or affordable housing. Open space can be further reduced to 15% if the proposed open space meets certain design and operational standards. The project proposes 20% open space as required based on their stormwater plan, which equals 1.9 acres.

- The project proposes to meet Tree Canopy Preservation requirements through the preservation of 10% of existing tree canopy area on site. The project site is classified as "Urban" under the Tree Canopy Preservation standards, with a classification of “Class B”. The site has an existing tree canopy of 95%.

Consistency with the Comprehensive Plan and Other Plans:
Living Asheville Comprehensive Plan (2018)

- The proposed development supports a number of goals in the Living Asheville Comprehensive Plan, including:
    - Encourage Responsible Growth - by prioritizing greater densities of development overall, throughout the city as appropriate.
    - Increase and Diversify the Housing Supply - by increasing the supply of housing, including affordable housing in proximity to schools, transit and parks.
- The proposed development is compatible with the Future Land Use designation of “Traditional Neighborhood” which is proposed, in part, as “a mix of housing types such as single family with accessory dwelling units, duplexes, townhomes and multifamily apartments usually located seamlessly together”.

Compatibility Analysis:

- The proposed multi-family project is compatible with the surrounding land uses, including:
    - The single-story townhome-style quadplex buildings are compatible with the surrounding single-family houses nearest that portion of the project site.
    - The 3- and 4-story multi-family buildings are compatible with the adjacent multi-family development of Laurel Woods, which is located directly to the south of the site, as well as other nearby multi-family residential uses, such as the Dawnwood Condominiums located on the west side of Caribou Rd near the project site.
    - Compatibility with uses and transportation corridors to the east of the project site could be enhanced with increased landscape buffering, fences/walls, and other site considerations as it relates specifically to the existing railroad tracks.

Staff recommends approval of this rezoning request based on the reasons stated above.

Mr. Palmquist reviewed the existing and proposed zoning, the aerial imagery and the future land use map. He then reviewed the site plan, landscape plan and elevation drawings. Regarding project conditions, affordable housing is included in the Project: (1) All units (100%) shall be leased to households earning less than 80% of the Area Median Income (AMI) for Asheville, NC as established by HUD. The minimum affordability period for all units shall be 20 years and shall commence on the date of issuance of a Certificate of Occupancy for the property; and (2) All of the affordable units will also accept, but are not restricted to, HUD (Housing Choice) vouchers. Regarding technical modifications, affordable housing is included in the Project: (1) 6’-wide sidewalk on Caribou Rd and 5’-wide internally instead of the 10’-wide minimum standard; (2) Encroachment of driveways and sidewalks into the landscape buffer of approximately

1,200 linear feet along the western edge of the project site; and (3) Street trees planted on Caribou Road in excess of the 20' maximum distance from the edge of pavement, not to exceed a 50' maximum distance. The project received significant public comment in advance of the May 6 Planning & Zoning Commission meeting, specifically regarding infrastructure and traffic safety; public safety and pedestrian risks; environmental impacts; neighborhood character; and cumulative development impact. Regarding reviews, the Technical Review Committee, on April 6, 2026, approved with conditions. At the May 6, 2026, Planning & Zoning Commission meeting, the motion to approve with conditions failed (Vote 3:3) with the following conditions: 1) That the project provide a pedestrian connection to Ardmore St, 2) that the City work with the applicant and the community to identify opportunities to improve the pedestrian network in the vicinity, 3) That the project explore the reduction of provided parking, in line with NCHFA requirements and their parking waiver request process, and 4) That the linear feet of encroachment into the landscape buffer, as delineated in the project conditions, be verified and reduced as appropriate to accurately reflect what's depicted on the site plans. Also, the motion to deny failed (Vote 3:3). He then explained how the project was consistent with the Living Asheville Comprehensive Plan. He then outlined areas alignment and not in alignment with the Shiloh Community Plan 2025. He said that staff concurs with the Planning & Zoning Commission and recommends approval of the proposed conditional zoning.

There was considerable discussion regarding the ingress and egress onto Caribou Road.

Mr. Derek Allen, attorney representing the development team, said that this project is designed to be a buffer from the other features in the area. He noted that Ardmore was a connection shown on the site plan; however, the residents asked that connection be removed, so now they have it as a pedestrian connection. The developer would be willing to re-establish that connection if Council desires.

A representative of the developer, Pennrose, provided background information on his company and explained that they have in-house property management and will coordinate with other organizations through their community impact coordinators for supportive services for those living on the property.

In response to Councilwoman Roney, the representative of Pennrose said that there was nothing in the project that would get in the way of potential renewable options.

Council then discussed the make-up of the units, which all 100 will be designated affordable for a minimum of 30 years, noting that there was not an option of them becoming home ownership units as they focus on multi-family workforce rental housing.

Councilwoman Smith loved the project; however, the location didn't fit the project. She said Shiloh's vision was that this land be a park. The Shiloh community was very clear of their vision in their 2025 Shiloh Community Plan. She also felt the Shiloh community was given information but felt patronized. She cited pedestrian and vehicular concerns. She felt this project will disrupt their quality of life and the sense of urgency for this action is distasteful.

Mr. Warren Sugg, representing the developer, briefly talked about the site plan and the building elevations.

Mayor Manheimer opened the public hearing at 7:08 p.m.

Seventeen out of 19 individuals spoke in opposition to the conditional zoning request, for various reasons, some being, but are not limited to: infrastructure and traffic safety; public safety and pedestrian risks; environmental impacts; neighborhood character; and cumulative development impact.

Mayor Manheimer closed the public hearing at 8:02 p.m.

Mayor Manheimer noted that funding mechanisms have deadlines and Council doesn't normally move this quickly; however, the applicants have to meet other financial deadlines for affordable housing.

Councilwoman Turner felt that we do need affordable housing everywhere; however, she felt protective of our legacy neighborhoods and gentrification around them.

Vice-Mayor Mosley felt that legacy neighborhoods are not always against affordable housing, but they feel they are always the prime targets. Looking at data points over the last five years, the majority are in adjacent neighborhoods or south Asheville - and Shiloh is both. She felt we should find a way to spread affordable housing around the City.

In response to Vice-Mayor Mosley, City Attorney Branham said that City Council has a wide latitude in revising general use districts in the Unified Development Ordinance.

Councilwoman Smith moved to deny the conditional zoning request for the property located at 99999 Caribou Rd from Residential Single-Family Medium Density (RS-4) to Residential Expansion - Conditional Zone (RES EXP-CZ) and find that the request is not reasonable, is not in the public interest, is not consistent with the city's comprehensive plan and does not meet the development needs of the community. This motion was seconded by Vice-Mayor Mosley and carried unanimously.

D. Public hearing to consider a conditional zoning 1116 Sweeten Creek Road from RM-16 Residential Multi-Family High Density and CI Commercial Industrial District to Residential Expansion - Conditional Zone for the purposes of constructing a 126-unit multi-family development

Ordinance Number 5221 - Ordinance to conditionally rezone 1116 Sweeten Creek Road from RM-16 Residential Multi-Family High Density and CI Commercial Industrial District to Residential Expansion - Conditional Zone for the purposes of constructing a 126-unit multi-family development - Ordinance Book No. 37 - Page 20

Urban Planner Clay Mitchell said that this is the consideration of an ordinance to conditionally zone 1116 Sweeten Creek Road from RM-16 Residential Multi-Family High Density and CI Commercial Industrial District to Residential Expansion - Conditional Zone for the purposes of constructing a 126-unit multi-family development. This public hearing was advertised on May 1 and 8, 2026.

Project Location and Contacts:

- The project site totals 5.15 acres located at 1116 Sweeten Creek Rd (PIN 9657-30-1178).
- Owner: Heidi & Steve Kim.
- Developer: Penrose LLC.

Summary of Petition:
Project Site

- The project area consists of one property totalling 5.15 acres located at 1116 Sweeten Creek Rd in the Shiloh Neighborhood, and identified in the Buncombe County land records as PIN 9657-30-1178.
- The site is currently zoned Commercial Industrial (CI) on its western portion and Residential Mulit-Family High Density (RM-16) on its eastern portion.
- The site has two residential structures. One existing single-family house on the property appears to be abandoned and the other occupied and was built in 1935 according to the county tax card.
- Given the size of the project (over 50 residential dwelling units) a conditional zoning to the Residential Expansion - Conditional Zone (RES EXP - CZ) district is required.
- Based on the Living Asheville Comprehensive Plan Future Land Use Map (FLUM) the property is currently designated “Urban Corridor” for the western portion and “Residential Neighborhood” for the eastern portion. These areas are delineated along the same boundary as the existing zoning districts for the parcel. Both designations recommend high density multi-family uses and Residential Expansion districts, especially where adjacent to transportation corridors. A change in the Future Land Use Map is not required.

Overall Project Proposal

- New building construction includes one 4-story multi-family building, one 3-story multi-family building, totalling 126 affordable housing units, as well as an outdoor pavilion.
    - The pavilion is proposed in the central section of the site with additional outdoor amenities.
    - The two multi-family buildings are proposed as a larger L-shaped 4-story structure with 96 units along the north and western sides of the developed area and a rectangular 3 story building along the southern side with 30 units.
- Other site improvements include surface parking, new sidewalks, and a playground.

Technical Modifications

- The project is seeking technical modifications to development standards through the conditional zoning process including:
    - Sidewalk widths of 5’ on Sweeten Creek and internally, instead of the 10’-wide standard.

Site Layout and Design

- Maximum building height for multifamily buildings in the RES EXP district is 60 feet. The maximum building height of the proposed project is approximately 43’ as measured to the ceiling of the highest floor.
- Maximum density in the RES EXP district is 50 units/acre for projects proposing affordable units.The proposed project’s density is 24.6 units/acre.
- Front yard, rear yard, and side yard setbacks of 15 feet are required in the RES EXP district. The project is compliant with the minimum required setbacks.
- Maximum impervious surface in the RES EXP district for multifamily uses is 80%. The proposed project would result in a total impervious area of 50%.

Access, Sidewalks and Parking

- Access to the site is from a driveway on Sweeten Creek Rd - a NCDOT maintained road.
- A significant NCDOT project to widen Sweeten Creek is in the engineering & design phase. This project has a northern terminus to the south of the project site just north of Rock Hill Road. The project site is not included in the project and the construction for this project is currently TBD and not funded in the state transportation plan.
- Sidewalks are proposed at 5’ in width along the project’s frontage on Sweeten Creek and internal to the site. An 8’ wide grass strip is shown along the frontage between the new sidewalk and the roadway.
- The project is seeking a technical modification for sidewalks width less than the minimum required 10’.
- A total of 157 parking spaces are proposed for the project. Based on the number of bedrooms and dwelling units, the minimum/maximum number of required parking spaces is 156/282 for the RES EXP district.
- Bicycle parking is required at a rate of 10% of the total number of residential units, which equates to 13 required bicycle parking spaces, which the project is proposing with the final location to be determined.

Landscaping / Open Space / Tree Canopy

- Landscape requirements apply, including street trees, property buffers, building impact, and parking lot landscaping.
- Street trees are required as being one small maturing tree for every 30 linear feet of property abutting Sweeten Creek Rd where overhead utilities are present, resulting in 5 trees.
- A 20’-wide “Type A” landscape buffer is required where the site is adjacent to a single-family zoning district, which includes the boundaries to the project’s north, east, and south and shows the preservation of existing mature canopy.
- Parking lot landscaping requirements equate to 39 trees and 156 shrubs required which are proposed and but not fully detailed on the Landscape Plan.
    - The applicant will include detailed landscaping plans for Final TRC review

and approval.

- Building impact landscaping is required as being one tree and two shrubs for every 1,000 square feet of building footprint, equalling 41 trees and 82 shrubs.
- Open Space is required at a rate of 50% of the site, or a rate of 20% of the site if the project meets the incentive requirements for either enhanced stormwater or affordable housing. Open space can be further reduced to 15% if the proposed open space meets certain design and operational standards. The project proposes 20% open space as required based on their stormwater plan, which equals 1.03 acres.
    - A pathway connects the areas of open space and meanders through the edges of the site from the north to the central amenity location in the center of the site.
- The project proposes to meet Tree Canopy Preservation requirements through the preservation of 7% of existing tree canopy and planting an additional 10.5% area on site to achieve a total of 17.5% (0.85 acres). The project site is classified as both “Suburban” and "Urban" under the Tree Canopy Preservation standards, with a classification of Class B & C due to the dual requirements. The site has an existing tree canopy of 70%.

Consistency with the Comprehensive Plan and Other Plans:
Living Asheville Comprehensive Plan (2018)

- The proposed development supports a number of goals in the Living Asheville Comprehensive Plan, including:
    - Encourage Responsible Growth - by prioritizing greater densities of development overall, throughout the city as appropriate.
    - Increase and Diversify the Housing Supply - by increasing the supply of housing, including affordable housing in proximity to schools, transit and parks.
- The proposed development is compatible with the Future Land Use designation of “Residential Neighborhood", which is proposed, in part, that “the types of housing in residential neighborhoods generally offer little variation of building types throughout the neighborhood, such as townhomes, duplexes or an apartment complex,” and that, “over time, residential neighborhoods can benefit from having more housing diversity”, as well as the Future Land Use designation of “Urban Corridor”, which is proposed, in part, as “redevelopment in the form of mixed-use residential, commercial and office uses that place emphasis on pedestrian-friendly amenities and infrastructure”.

Compatibility Analysis:

- The proposed multi-family project is compatible with the surrounding land uses, including:
    - Supports a transition from the single-family residential neighborhoods further to the east of the project site toward the corridor of Sweeten Creek Rd.
    - Provides similar housing densities to the Pine Valley Manufactured Housing Park immediately north west of the project site.

Staff Recommendation: Staff recommends approval of this rezoning request based on

the reasons stated above.

Mr. Michell reviewed the existing and proposed zoning, the aerial imagery and the future land use map. He reviewed the site plan, and elevation drawings. Regarding project conditions, affordable housing is included in the Project: all units (100%) will be designated affordable for a minimum of 20 years; all units (100%) will be designated affordable to those earning 80% or less of Area Median Income (AMI) as established by HUD; and all units will accept, but not be restricted to HUD (Housing Choice) vouchers. The Project includes technical modifications: (1) Sidewalk width of 5' along Sweeten Creek instead of 10' standard; and (2) No sidewalk along 30' of frontage along Rock Hill Rd, where an easement will be provided instead. He said the Technical Review Committee approved the project with conditions. The Planning & Zoning Commission voted unanimously to approve the project. He then explained how the project was consistent with the Living Asheville Comprehensive Plan. He said that staff concurs with the Planning & Zoning Commission and recommends approval of the proposed conditional zoning.

In response to Councilwoman Roney, Mr. Mitchell said that his recommendation to the developer is to always prepare for the future installation of solar options and these roofs face to the south which is optimal for maximum solar gain.

Mayor Manheimer opened the public hearing at 8:36 p.m., and when no one spoke, she closed the public hearing at 8:36 p.m.

Councilwoman Ullman moved to approve the conditional zoning request for the property located at 1116 Sweeten Creek Rd from Commercial Industrial (CI) and Residential Multi-family High Density (RM-16) to Residential Expansion - Conditional Zone (RES EXP-CZ) and find that the request is reasonable, is in the public interest, is consistent with the city's comprehensive plan and meets the development needs of the community in that the request: 1) Prioritizes greater densities of development overall, throughout the city as appropriate; and 2) Increases the supply of housing, including affordable housing, in proximity to schools, transit and parks. This motion was seconded by Councilwoman Turner and carried unanimously.

V. Unfinished Business:

VI. New Business:

A. Resolution Number. 26-96 - Resolution authorizing the award of Community Development Block Grant - Disaster Recovery multi-family housing funds to Mountain Housing Opportunities/South Creek Development (Terrace at River Hills), Commonwealth Development Corporation (District East Commons), and Laurel Street (319B Biltmore).- Resolution Book No. 46 - Page 340

Community Development Block Grant - Disaster Recovery Project Manager Elma King said that this is the consideration of a resolution authorizing the award of Community Development Block Grant - Disaster Recovery (CDBG-DR) multi-family housing funds to Mountain Housing Opportunities/South Creek Development (Terrace at River Hills),

Commonwealth Development Corporation (District East Commons), and Laurel Street (319B Biltmore).

- The Department of Housing and Urban Development (HUD) allocated $225,010,000 in funds to the City of Asheville on January 16, 2025.
- The City's CDBG-DR Action Plan allocated $31,000,000 to Housing Programs, inclusive of $3,000,000 to the CDBG-DR Single Family Rehabilitation & Reconstruction Program and $28,000,000 to the CDBG-DR Affordable Multi-Family Housing Construction Program.
- Eligible projects under the Affordable Multi-Family Housing Construction Program must be located entirely within Asheville city limits, secure Low Income Housing Tax Credit allocations in compliance with the North Carolina Housing Finance Agency Qualified Allocation Plan, pass the City's financial underwriting, and meet other eligibility requirements.
- The application for the CDBG-DR Affordable Multi-Family Housing Construction funding opportunity closed on February 25, with the volume of submissions signaling significant demand for multifamily housing construction. The funding opportunity advertised $10,000,000 in available funding, and additional funding within the multi-family program can be awarded in this process as appropriate.
- 13 applications were received, and 12 were deemed eligible, totaling 1,481 units proposed, $483,797,251 in total development cost, and $70,411,000 in City of Asheville CDBG-DR funds requested.
- Staff recommends awarding $17.89 million to support 331 housing units across three projects. These include the top-ranked Terrace at River Hills ($9.5 million, to construct 126 units), followed by District East Commons ($1.39 million, to construct 93 units) and 319-B Biltmore ($7 million, to construct 112 units). The 319-B Biltmore project is recommended as a supplemental project in line with city priorities.
    - All three funding commitments will be contingent on a successful application and award of Low-Income Housing Tax Credits via the North Carolina Housing Finance Agency.
    - Terrace at River Hills and 319-B Biltmore both will apply as 4% tax credit projects and have no additional funding contingencies.
    - District East Commons will apply as a 9% tax credit and also needs State of NC CDBG-DR funding. The City's funding will be contingent on District East securing State funding.
- To proceed, the City Council must authorize agreements between the City and developers and award CDBG-DR funds for the construction of Affordable Multi-Family Housing within the City of Asheville.
- Low-Income Housing Tax Credit applications are due May 15, 2026, and the CDBG-DR funding commitment is critical to those applications.
- The projects are also time-sensitive to meet the community's recovery needs, quickly initiate much-needed affordable multifamily housing construction, and activate CDBG-DR funds.

Ms. King provided a brief overview of the substantial amendment to the Single-Family Program; along with recommendations for CDBG-DR Multi-Family Housing awards.

Housing and Community Development Director Nikki Reid said that regarding the proposed reallocation to Single-Family, (1) The final cost of serving all Asheville applicants to Renew NC is yet unknown, but estimated to be between $30-$40 million; (2) Staff propose pursuing a Substantial Amendment to the CDBG-DR Action Plan to reallocate $19.2 million to the Renew NC Program – comprised of $9.2 million from the Affordable Multi-Family Housing Construction Program, and $10 million from the CDBG-DR Infrastructure Program. The City identified $10M in estimated design costs for the North Fork Project as funds likely be reimbursed first through HMGP, and therefore believe this funding amount can be reallocated to Single Family Home Repair; and (3) The Single-Family Home Repair & Reconstruction Program would be allocated $22.2 million which the State estimates will serve 55-65 Asheville households. Next steps are: (1) Home repair demand and costs exceed expectations; total need estimated at $30–$40M - Proposed CDBG-DR amendment reallocates $19.2M to Renew NC, bringing the program total to $22.2M (Council to vote June 23); (2) 2024 Affordable Housing Bonds will provide additional home repair funding via ARCHER to address unmet needs - A home repair policy and bond allocation will also come before Council on June 23; and (3) Strategy combines multifamily development (for displaced renters) with homeowner repair programs (Renew NC + ARCHR) to stabilize residents, preserve generational wealth, and prevent further displacement.

She then reviewed the deal structuring in affordable housing; CDBG-DR Multi-Family Program priorities; Notice of Funding opportunity (NOFO); evaluation criteria; evaluation and recommendation process; and rationale for recommendations - Recommendations align with the results of the NOFO evaluation process: $10.89 million. (1) The top Ranked Proposal: Terrace at River Hills ($9.5 million), 126 Units (4% LIHTC); (2) The second Ranked Proposal: District East Commons ($1.385 million), 93 Units (9% LIHTC) Terrace at River Hills is the most shovel ready, with no state-CDBG funding contingencies. District East requires a State funding investment, and was the second highest scoring application; and (3) Supplemental Project Recommendation: $7 million - 319 Biltmore ($7 million), 112 Units (4% LIHTC). 319-B Biltmore is shovel ready, with no additional funding contingencies. This award funds the second phase of a project on a City-owned property, with the first phase (109 workforce + affordable units) already fully funded with City support.

The recommendations are (1) To advance Council's Quality Affordable Housing vision and provide gap funding for the construction of affordable multi-family projects after Tropical Storm Helene, Staff recommend a commitment of $17.89 million to support 3 projects totaling 331 units (1) The City's NOFO process identified Terrace at River Hills and District East Commons as the top-scoring projects based on the evaluation criteria; and (2) Supplemental Opportunity: 319-B Biltmore applied for tax credits in the Fall 2025 cycle and is positioned to start construction in 2026. Deploying additional CDBG-DR funds and awarding this project is recommended. On May 5, HCD voted 2-1 to recommend the award of $17.89 million in Affordable Multi-Family Housing Construction Program funds to advance three projects totaling 331 units.

Ms. Reid responded to various questions/comments from Council, some being, but are not limited to: how much has the City contributed to 319 Biltmore already; and what other sources of funding are available for these projects and are they applying to those sources, and if not, why.

When Councilwoman Turner wanted to move more money out of multi-family development into single-family home repairs, discussion occurred regarding the need for funds to repair homes, noting that the substantial amendment to reallocate funds to the Single-Family Rehab and Reconstruction Program will be coming back to City Council via a public hearing on June 9.

Councilwoman Roney felt we should expedite home repair/rebuild but pull from planning. We do need more funding, but she was concerned about pulling it from infrastructure. Naming concern about flood mitigation recommendations outstanding from Flood Damage Reduction Task Force after the floods in 2004: (1) auditory alarm systems for evacuation; (2) drawdown schedule for the North Fork Reservoir in response to rainfall predictions and (3) early alert systems.

Several Council members felt that the per unit subsidy on the Terrace at River Hills development was too high.

Vice-Mayor Mosley moved to authorize the award of CDBG-DR Multi-Family Housing Program funds to Commonwealth Development Corporation (District East Commons), and Laurel Street (319B Biltmore). This motion was seconded by Councilwoman Turner.

Mr. Powell Howell felt we should use these funds for repairing and restoring our homes first.

President and CEO of Mountain Housing Opportunities (MHO) Geoffrey Barton understood Council's concern of high costs per unit. He said if they are not awarded this funding, they will move into the tax credit cycles. He did feel this was an opportunity to get a significant number of affordable housing, noting that multi-family rental is critical. He urged Council to follow the consultant's guidance and award the $9.5 Million to the Terrace at River Hills.

Mayor Manheimer said that MHO is an amazing affordable housing partner in our community, and wondered if there was a way to reduce the amount awarded and the project still be viable. Mr. Barton replied that the City requested shovel-ready projects and to reduce the award will force them into the tax credit cycle, which deadline is Friday. He couldn't say whether the project would be viable with a lesser amount.

When Councilwoman Roney asked Vice-Mayor Mosley if she would accept a friendly amendment to her motion to include Apex at Hazel Mill in Emma community, Vice-Mayor Mosley replied that she would.

In response to Vice-Mayor Mosley, Ms. Reid said that Apex at Hazel Mill was 89 units and asked for $4.5M of CDBG-DR funds and $3.5 from the state. She felt that Apex at Hazel Mill can go to the state for their entire amount.

Councilwoman Ullman supported our professional staff's recommendation of also awarding MHO the $9.5 Million.

After discussion, Councilwoman Roney withdrew her friendly amendment, noting that if we don't allocate the $9.5 Million to MHO, then those funds can be repurposed to other applications.

The motion made by Vice-Mayor Mosley to authorize the award of CDBG-DR Multi-Family Housing Program funds to Commonwealth Development Corporation (District East Commons), and Laurel Street (319B Biltmore), and seconded by Councilwoman Turner carried unanimously.

Councilwoman Ullman moved to authorize the award of CDBG-DR Multi-Family Housing Program funds to Mountain Housing Opportunities/South Creek Development (Terrace at River Hills). This motion died for a lack of a second.

B. Declaration of Policy for Public Safety Tools, Asheville Police Department Grant Award, Budget Amendment, and Axon Contract

Mayor Manheimer said that public comment on the consideration of the resolution to declare and reaffirm the protection of civil liberties of all residents and visitors; the Community Project Funding Award, the budget amendment, and the Axon contract would be combined; however, a separate vote will be taken on B.1 and its subparts and B.2.

B.1 (i) Resolution Number 26-97 - Resolution of the Asheville City Council to declare and reaffirm the protection of civil liberties of all residents and visitors in the collection and use of data obtained through the utilization of public facing cameras, license plate readers, and the operation of a real-time intelligence center - Resolution Book No. 46 - Page 341

The resolution reads in part that "The City's use of public safety tools shall be solely for lawful purposes, which are intended to enhance or provide for public safety, and shall not offend any constitutional or other legal right. These public safety tools shall not be used, or permitted to be accessed by any third party, in any manner that fosters discrimination, bias, or unwarranted invasions of privacy. The City shall take all reasonable steps, through policy and action, to prevent unauthorized sharing of data, general surveillance of the public outside of a criminal investigation or other legally authorized activity, or unnecessary storage of data obtained through the use of these tools. The City shall not apply these public safety tools in a manner which utilizes facial recognition, nor to target any individual or group based upon race, skin color, national or ethnic origin, gender, sexual orientation, mental or physical disability, religious or political opinion or activity, immigration status, whether they are currently experiencing homelessness, or any other unauthorized reason. The City shall further remain accountable and transparent in its actions to the extent permitted by law with respect to the use of these systems, the data collected, and the sharing of information with third parties. The access, and specific accessor, of any public facing camera or license plate reading system shall be documented and maintained to allow for subsequent audit and oversight. The storage of

data collected by the City while utilizing these tools shall have a duration no longer than specified by State law, and shall not be kept beyond the expiration of the legal purpose for the data's original collection. In the absence of state, interstate, or international criminal or national security investigations, the City shall not utilize these public safety tools to participate in enforcement of federal immigration law. This resolution is intended to encourage community trust in the City's commitment to the utilization of its public safety tools and systems only when reasonably balanced with its duty to protect and preserve the civil liberties of the individuals who make up this community. The City Manager shall take all reasonable and prudent measures to implement these policies and ensure compliance therewith, and a report shall be provided to the City Council, at least annually, on the use of these public safety technologies and any actions taken to ensure alignment with the Council direction outlined in this resolution."

B.2. Resolution Number 26-98 - Resolution authorizing the City Manager to apply for, accept, and sign all of the appropriate application and acceptance documents for the Community Project Funding Award allocated to the City of Asheville as secured through Congressman Chuck Edward's Office and managed through the Department of Justice Office of Justice Programs, Byrne Justice Grants- Resolution Book No. 46 - Page 343

Ordinance Number 5222 - Budget Amendment in the City's Special Revenue Fund for the Community Project Funding Award Allocation - Ordinance Book No. 37 - Page 29

Staff Report: Consideration of a resolution authorizing the City Manager to apply for, accept, and sign all of the appropriate application and acceptance documents for the Community Project Funding Award allocated to the City of Asheville as secured through Congressman Chuck Edward's Office and managed through the Department of Justice Office of Justice Programs, Byrne Justice Grants; and adopt a budget amendment in the City's Special Revenue Fund in the amount of $1,141,255.56.

- APD was contacted in April 2024 by a representative from Congressman Chuck Edwards' office regarding potential funding for Fiscal Year 2025 appropriations.
- APD completed a questionnaire from Congressman Edwards' office requesting funding to help implement a Real-Time Intelligence Center (RTIC). This funding would be to procure equipment, software, and hardware to establish a RTIC.
- Authorization from the City Manager's office to request funding was submitted on May 22, 2024.
- The Fiscal Year (FY) 2025 Appropriations request was not signed into law due to a year-long continuing resolution and had to be resubmitted by Congressman Edwards for FY 2026.
- APD was notified in February 2026 that $1,141,256.00 in funding had been secured in the FY 2026 Appropriations Bill.
- The award conditions, allowable uses, compliance requirements, and onboarding steps will be set at the Federal level.
- Once received, City staff will review the terms and determine the City's ability and willingness to comply. This review will take into account any direction provided by the City Council
- Even though the CPF is part of an appropriations law and not a typical

competitive grant, most agencies require a formal application and acceptance process before funds are obligated. Once formal guidance on this is released, the procedural steps for recipients will begin, and APD will follow DOJ processes to receive funding.
- A city-owned RTIC will serve as a centralized hub, bringing all existing and private camera feeds into a single location, prioritizing the safety of officers, residents, and the broader community.
- The RTIC will strengthen the operational effectiveness of the APD by improving coordination, increasing efficiency, and enhancing overall public safety.

B.3. Resolution Number 26-99 - Resolution authorizing the City Manager to execute on behalf of the City of Asheville a contract with Axon Enterprises, Inc to bundle all existing agreements for Asheville Police Department's current inventory of Body-Worn Cameras, Tasers, Drones, Lightpost, and Interview Room equipment, warranties, licensing, and cloud storage for all, and add FUSUS software, utilizing the pricing offered through Sourcewell cooperative contract - Resolution Book No. 46 - Page 344

Staff Report: Consideration of a resolution authorizing the City Manager to execute on behalf of the City of Asheville a contract with Axon Enterprises, Inc to bundle all existing agreements for Asheville Police Department's current inventory of Body-Worn Cameras, Tasers, Drones, Lightpost and Interview Room equipment, warranties, licensing, and cloud storage for all, and add FUSUS software, utilizing the pricing offered through Sourcewell cooperative contract.

- APD has five separate agreements with Axon to provide Body-Worn Cameras, Tasers, Drones, Lightpost, and Interview Room, including equipment, warranties, licensing, and cloud storage for all.
- APD reached out to Axon in response to the City's request for cost-saving ideas for the FY27 budget.
- Axon proposed a seven-and-a-half-year combined contract that offered the City of Asheville considerable savings for the first two years, while locking in current pricing for licensing, warranties, and cloud storage for an additional five and a half years through FY34.
- APD's current agreements will begin to expire in FY29 if left unbundled. Locking in pricing now will guarantee there is no significant increase in future costs for continued licensing, warranties, and cloud storage for our existing equipment and software.
- By bundling Fusus into this contract with the other Axon products currently in use by APD, there are additional cost savings for Fusus of $46,948.25 over the life of the contract.
- The FY27 cost of the existing agreements as they currently stand is $837,155.82. Bundling them into this new contract reduces the cost to $740,000.00 for FY27.
- Additional cost savings for FY28 would be realized in a reduction from $856,418.41 to $777,500.00 under the new bundled contract.
- The FY27 addition of FUSUS to the bundle is $467,602.15, which will be funded by the Community Project Funding (CPF) Award if approved by Council.
    - Council will review a budget amendment at this Council meeting to add

$1,141,256 for the Community Project Funding Award.

- No local match is required for this grant.

Interim Chief Stepp took a few minutes to talk about the environment we're operating in today. We are working in a setting of increasing demand and limited capacity. At the same time, we are operating without fully integrated real-time capability, meaning critical information is often fragmented, delayed, or spread across multiple systems and partners. We also continue to face staffing constraints that impact response times, investigative capacity, and proactive policing efforts. Officers and investigators are working harder than ever, often without the benefit of immediate, shared situational awareness. This is the reality of our current operations. And it's why this discussion matters. This is not about buying technology. This is about improving emergency response, investigative efficiency, transparency, and officer accountability.

Before discussing what this system can do, it's important to understand what it will not do: No facial recognition; No general monitoring; No unrestricted access to private cameras; Defined retention schedules; and Full audit logs. This system is governed under CALEA-aligned standards through the Commission on Accreditation for Law Enforcement Agencies framework. In practical terms, that means it operates in accordance with nationally recognized best practices for law enforcement accountability, oversight, and professionalism. To be clear, we are aligned with the Council's concerns around privacy, oversight, and preventing overreach. Public safety shouldn't come at the expense of community values, and they won't. The two can exist together. They are foundational to how this system is structured, how it is governed, and how it will be used.

She hoped that we've demonstrated that through the proposed civil liberties resolution and the name change. However, sorry to report we cannot change the name because it has been signed into law, but once funding is received, my understanding is that there may be an opportunity to do that, and if so, she will follow through to change intelligence to information. With that context in mind, it's important to step back from the technical discussion. We have spent a lot of time talking about systems, platforms, dashboards, and software, features, integrations, and specifications. But somewhere along the way, we've lost sight of what this is actually about. This funding supports accountable technology upgrades for emergency response and transparency. And more importantly, it supports outcomes. So with that in mind, let's focus on what this is really about - it's about community and officer safety; it's about faster emergency response; it's about accountability and transparency; it's about stronger investigations; it's about finding missing persons; it's about handling evidence efficiently and responsibly; and it's about governance and safeguards that ensure this is done the right way. This is not about software. **It's about victims.**

It's about the mother waiting for answers after her child is taken. It's about the officer trying to stop a violent offender before they strike again. It's about the difference between acting in seconds and showing up minutes too late.

A real-time intelligence center is not a technology project. It is a public safety function. It exists for one reason: to close the gap between what is happening and what we know about it—so we can act faster, smarter, and more effectively.

Because crime does not wait for reports to be written. It does not pause for information to be entered into a system. It unfolds in real time. And when our response is delayed, incomplete, or disconnected, people get hurt. She then gave an example back in 2018 of an incident where a child was shot and no one came forward. Sadly, to this day, his case remains unsolved. Think about that for a moment. Not in terms of technology, but in terms of reality. That is the gap. Not effort. Not commitment. Information. This isn't about adding another piece of equipment. It's about making sure that when something like this happens, and unfortunately, it will, we are not standing in the dark, hoping someone speaks up. It's about ensuring that silence is not the end of the investigation. Because in so many of our cases involving acts of violence, video surveillance provides critical evidence, helps identify offenders, and changes the trajectory of an investigation. And when we talk about modernization, this is what we mean. Not technology for technology's sake, but the ability to see, to know, and to act when it matters most. Because when we strip everything else away, the technology, the terminology, the process, that is what this comes down to. Time.... Time to identify a suspect. Time to locate a victim. Time to intervene before violence escalates. And in policing, time is often the difference between life and death.

So as she reviewed her presentation, she asked that we keep that perspective. Not what the system looks like. Not how it operates on a screen. But what it enables in the field. Faster decisions. Better coordination. Lives protected.

Interim Chief Stepp then provided Council with the request of funding for software, hardware, and equipment to implement a Real Time Intelligence Center (RTIC). She noted that we applied for this grant to build an existing tool, Fusus, that the City of Asheville has funded since 2022. Additionally, a Justice Assistance Grant (JAG) was approved in March 2025 in the amount of approximately $60,000, to support the development of the RTIC. She then reviewed the funding timeline and said that funding was secured in February, 2026. She then reviewed the funding breakdown, along with the ongoing cost breakdown. She explained the RTIC (physical space) vs. Fusus (software platform. Fusus isn't about watching people - it's about helping first responders get to emergencies faster, better informed, solve crimes more efficiently, and keep the community safer with less intrusion, not more. She explained the Fusus definition of registry vs. integration, noting both are voluntary and can be revoked at any time. Axon Fusus neither has access to or retains data from an agency's Fusus system. Axon Fusus will pull in the video stream, if connected through a FUSUS Core device. Fusus will not pull in the artificial intelligence (AI) technologies layered onto that device. Axon Fusus utilizes AI to rapidly search video provided to the system by users in order to mitigate criminal activity. AL may be utilized to automatically recognize weapons, vehicles of interest, etc. RTIC benefits include faster response; stronger investigations; enhanced safety; strategic focus; force multiplier; oversight and accountability; meeting Jury expectations; support for vulnerable areas; and promoting equity and accuracy. RTIC's are not a standalone solution but agencies that have implemented them consistently show improved outcomes in response, case clearance, and targeted crime reduction efforts.

She then read a letter from District Attorney Todd Williams dated April 30, 2026, who expressed his “support for receipt of federal funding to create a Real-Time Intelligence Center (RTIC). As our community addresses public safety challenges, we must adopt tools that preserve objective evidence, effectively utilize emerging technologies, and enhance both public safety and ensure civil rights. … By focusing on objective evidence and the preservation of facts, it is my hope that we can reduce cycles of violence and ensure that public safety means safety for all..”

She also read a letter from Russ Ferguson, United States Attorney in the Western District of North Carolina dated May 12, 2026, in that it was his “belief that the City of Asheville and the Asheville Police Department would benefit from the establishment of a Real-Time Intelligence Center (RTIC). … I believe that every community deserves safety, and safety is a shared responsibility that includes law enforcement, clergy, community leaders, public health, non-profit organizations and others. Utilizing RTIC to its fullest capacity is value added to the Asheville Police, strengthens accountability and transparency to the community, and improves our response to victims of crime.”

Interim Chief Stepp then explained the Axon contract consolidation. She said if this funding is not approved, we will continue operating under the current fragmented model. Today, that model consists of five separate agreements, each with different renewal cycles, amended add-ons, varying service agreements, and misaligned hardware refresh schedules. Maintaining that structure creates ongoing administrative complexity and exposes the department to financial instability. More importantly, it creates a predictable problem - Our current financial modeling shows technology costs rising to approximately $1.24 million annually by Fiscal Year (FY) 2027, followed by a significant coverage gap in FY 2029, when major agreements expire. By combining this year, we save approximately 180k over the next two years. At that point, we will be forced into consolidation—but under less favorable conditions, with fewer options and higher costs. The “do nothing” approach is not neutral. Renewing these systems individually at future market rates is expected to increase costs by 20 to 30 percent due to ongoing sector inflation—without adding new capability, without improving response, and without addressing current operational gaps. In other words, we will pay more to maintain the same capabilities.

She said, by contrast, the approval allows us to move forward with a comprehensive, structured solution: (1) Consolidating five separate agreements into one unified agreement; (2) Transitioning to a 7.5-year Officer Safety Plan; (3) Locking in pricing to protect against future inflation; (4) Eliminating unpredictable capital expenditure spikes for hardware replacement; and (5) And immediately improving operational capability. This approach is projected to deliver more than $4 million in total contract value savings over time, while providing a stable, sustainable, and modernized foundation for public safety operations.

Moving forward, our focus is on how we implement this, deliberately, transparently, and with clear accountability. As we talk about the Education Campaign, this is what that looks like: (1) Community engagement through town hall-type meetings and listening sessions will occur prior to finalizing policies; (2) Continued transparency through regular

neighborhood meetings and RTIC tours; (3) Policy development grounded in privacy, oversight, and best practices; and (4) Ongoing demonstration of effectiveness through measurable outcomes and case-based results. Trust will not be assumed; it will be demonstrated.

Mayor Manheimer read the following letter from Attorney General Jeff Jackson “There is a long tradition of skepticism about government surveillance, and that skepticism has produced important guardrails over the years. The question is which guardrails are in place for this proposal by APD. This technology can be deployed in narrower or broader ways, and several of the most consequential choices are matters of policy rather than capability. Based on what APD has described, the proposal here makes the narrower choice on the following concerns: Use for federal immigration enforcement, which is excluded. Facial recognition software, which is excluded. Footage retention, which is limited to the period set by city policy. Ownership of footage, which remains with the department rather than a private vendor. Winston-Salem, High Point, and the Buncombe County Sheriff's Office have operated facilities of this kind for several years. Their experience has been that, when these centers are run with clear policy limits and public oversight, they help reduce response times and assist in solving crimes without becoming the broader surveillance tool that critics reasonably worry about. Public safety and civil liberties are not opposing values, and the framework APD has put forward is a serious attempt to hold both at once.”

In response to Mayor Manheimer, City Attorney Branham said that all City contracts include clauses that allow City Council to pull funding from the contract, and thus terminate it. We also build in additional terms which empower the City to terminate the contract unilaterally under certain circumstances. His office has been reviewing the terms with the software provider and asking if they were willing to approve additional provisions and they have expressed their willingness to do so. The City will be able to terminate the contract if the system is not used correctly.

In response to Mayor Manheimer, Interim Chief Stepp explained the records retention policy governed by the State. She noted that physical evidence is different from data collection. City Attorney Branham also noted that these programs are software based, and a digital log is automatically generated and retained showing each person has accessed and utilized the program.

Councilman Hess moved (1) to declare and reaffirm the protection of civil liberties of all residents and visitors in the collection and use of data obtained through the utilization of public facing cameras, license plate readers, and the operation of a real-time intelligence center; to authorize the City Manager to apply for, accept, and sign all of the appropriate application and acceptance documents for the Community Project Funding Award allocated to the City of Asheville as secured through Congressman Chuck Edward’s Office and managed through the Department of Justice Office of Justice Programs, Byrne Justice Grants; and (3) adopt a budget amendment in the City’s Special Revenue Fund in the amount of $1,141,255.56. This motion was seconded by Councilwoman Ullman.

Out of 23 individuals, 22 spoke in opposition to the acceptance of the Community

Funding Project Award and contract with Axon Enterprises Inc, for various reasons, some being, but are not limited to: concern about the potential expansion of surveillance tech in Asheville and urge you not to sign on with or consider contracts with vendors in the absence of independent civil-rights and technology review, meaningful public participation, and a competitive procurement process that preserves Council and community oversight; if Council approves the Axon contract, the City Manager will negotiate the binding contract with Axon directly, with no further Council review; reject any authorization that does not include full transparency, vendor accountability, and no facial recognition; opposition to any and all mass surveillance systems being deployed upon our community; the current system in place and the proposed expansion is an unwarranted violation of our privacy; no one is safe from the abuse of power that these increasingly unchecked systems bring as we are already seeing across the country; this proposed center would integrate major surveillance technologies, including Flock cameras, Axon body camera footage, drone footage, and networks of business and residential cameras - such integration poses significant risks to civil rights, as these surveillance tools can be used to track individuals; concern that this proposal diverts time and resources toward expanding surveillance in our community; Council should prioritize more pressing issues, such as affordable housing, mental and behavioral health crisis response teams, job creation for certified community health workers and violence interrupters, and programs that help young people develop job skills; evidence indicates that increasing police presence and surveillance does not enhance community safety; stop the process and gather more information on civil rights protections, strong oversight measures, strength of protected access to information, public input and a potential competitive process; Flock cameras are extremely vulnerable to illegal hacking activity, making all their data they collect on us available to anyone with a Bluetooth device and a bit of tech understanding; invest money in safety infrastructure, the public transit system, sidewalks, parks, or affordable housing; there are already too many third-party cameras constantly recording us, and they haven't made anyone safer.

The motion made by Councilman Hess and seconded by Councilwoman Ullman carried on a 6-1 vote, with Councilwoman Roney voting “no.”.

Councilwoman Roney presented the following presentation. Regarding surveillance tech in Asheville, (1) Residents are more aware of the costs and risks of AI-fueled surveillance tech; (2) Concerns heard include: (a) Costs - facilities, staffing, budget amendments, and post-grant funding; (b) Risks - Constitutional rights, health care access, data protections, and more; and (c) Data Access - Tech companies, stalkers, and overreaching federal agencies. Regarding support from ACLU of North Carolina, (1) As part of her due diligence, she reached out to the state and local chapters of the ACLU; (2) she shared with the ACLU the publicly-available Flock and Axon agreements as well as the staff memo linked to the April 28th agenda materials; (3) Yesterday, she received a position outlined by Nicole Mance-Foster, Assistant to the Executive Director and Board Administrator for the NC Chapter of the ACLU; and (4) she immediately submitted the ACLU position to the full Council, City Manager’s office, and City Attorney’s office. The ACLU of NC’s position is “Real-Time Crime Centers (RTCCs) are designed to combine data from a wide range of technologies, including cameras, license plate readers, body cameras, and other monitoring tools, into centralized platforms for police departments. Rather than keeping information in separate systems, RTCCs allow

police to analyze data in one place and claim to help officers make decisions more quickly and solve crimes more efficiently. Supporters often rely on emotionally charged examples, such as stories about missing children being found through RTCCs, to justify their expansion. But these systems raise serious concerns about privacy, mass surveillance, and civil liberties. Companies like Axon Fusus, which has previously described itself as 'the most widely used & trusted Real-Time Crime Center platform in U.S. Public Safety,' allows private security cameras, including Ring cameras, to share footage with local RTCC networks, further expanding police surveillance capabilities. Data from Automatic License Plate Readers (ALPRs) is commonly integrated into RTCCs. These surveillance cameras capture, document, and store the license plates of vehicles that pass by, along with the date, time, and location of each scan. The result is a growing database of people's movements, often shared across regional and national networks. In many cases, this information is retained for years or indefinitely, with few meaningful safeguards to protect privacy rights. Flock Safety is one of the most widely used ALPR companies in the United States. As of November 2025, more than 5,000 law enforcement departments nationwide used the company's systems. Flock in particular has drawn scrutiny after reports showed its data was used by ICE to support the federal government's deportation agenda, including enforcement tactics that subvert due process. Communities across the country, including Hillsborough and Durham, are pushing back against ALPRs and RTCCs. These technologies do not just track people suspected of serious crimes. They collect information on everyone who uses public spaces, building massive databases that reveal where people live, work, travel, worship, seek healthcare, and participate in political activity. taken together, ALPRs and RTCCs represent a broader trend toward the automation and expansion of policing, often with little regard for constitutional rights or meaningful public oversight. The growing integration of cameras, data-sharing systems, and real-time analytics dramatically increases the potential for abuse and expands the ability of police to monitor nearly every aspect of daily life." The ACLU of NC position states awareness that Asheville has titled its Real Time Crime Center a Real Time Intelligence Center, as well as awareness of the Sheriff's existing RTIC. She also reached out to staff at the Electronic Futures Foundation. Their recommendation focused on our contracts, or lack thereof since we do not have one in advance of the Axon vote tonight: "When a city is asked to buy surveillance technology, elected officials and community members should review both the city contract and the vendor's terms and conditions. The city contract usually sets out the formal structure of the deal: the parties, the term, the cost, the incorporated exhibits, and the basic rules for amendment, audit, acceptance, renewal, and termination. It is also where to look for whether the city preserved meaningful public-sector control. Vendor's terms, master service agreement, and attached policies often contain the rules that govern how surveillance will actually work in practice. Those documents may define: What counts as city data; What the vendor may do with the data; How features can change over time; What confidentiality rules apply; How incidents are handled; and What barriers the city will face if it later tries to narrow or end the system. That is why the key question is not just, 'What are we buying?' It is also, 'What permissions, dependencies, and control relationships are we authorizing?' A contract that incorporates platform terms, service agreements, and implementation materials may do far more than approve a purchase. It may connect the city to a broader data ecosystem, normalize ongoing vendor control over public safety infrastructure, and make future expansion feel administrative. Staff requested this funding instead of other, documented capital needs.

We have tremendous demand for additional Helene recovery funding instead. Even with community concerns, common sense requests for regulation & oversight, and promises by electeds to reinstate an advisory committee to provide community oversight, it has become abundantly clear that collection of the data in the first place is the ultimate risk. Why? - (1) For-profit, AI-based surveillance tech companies are very difficult to regulate; (2) The State of NC prevents cities from withholding data; and (3) The federal government has recent practices of violating 4th amendment rights of citizens across the United States. All of these override any policies or practices designed to protect the constitutional rights of the people who live, work, and visit in Asheville.

Councilman Hess moved to authorize the City Manager to execute on behalf of the City of Asheville a contract with Axon Enterprises, Inc to bundle all existing agreements for Asheville Police Department's current inventory of Body-Worn Cameras, Tasers, Drones, Lightpost and Interview Room equipment, warranties, licensing, and cloud storage for all, and add FUSUS software, utilizing the pricing offered through Sourcewell cooperative contract. This motion was seconded by Councilwoman Ullman and carried on a 6-1 vote, with Councilwoman Roney voting "no.".

VII. Informal Discussion And Public Comment:

Several individuals spoke to City Council about various matters, some being, but are not limited to: concerned that Council did not let everyone speak; need to pay the City employees a living wage; and certain rights at public meetings.

VIII. Adjournment:

Mayor Manheimer adjourned the meeting at 11:59 p.m.

_____
Mayor

_____
City Clerk