

MINUTES

September 22, 2021

SPECIAL CALL

SECOND MONTHLY MEETING OF THE CITY COUNCIL

CITY OPERATIONS CENTER | 305 WILLIAMS ST. | 4:00 p.m.

Present: Mayor Barbara G. Volk, Mayor Pro Tem Jerry Smith, and Council Members: Jeff Miller, Dr. Jennifer Hensley, and Lyndsey Simpson

Staff Present: City Manager John F. Connet, Assistant City Manager Brian Pahle, City Clerk Angela Reece, Communications Manager Allison Justus, and others

1. CALL TO ORDER

Mayor Barbara G. Volk called the meeting to order at 4:02 p.m. and welcomed those in attendance. A quorum was established with all members in attendance.

2. PUBLIC HEARINGS

A. Zoning Text Amendment P21-41: Addition and Definition of Small-Scale Manufacturing with Supplementary Standards (P21-41-ZTA) - Jamie Carpenter, Community Development – Downtown Division Manager

Downtown Manager Jamie Carpenter presented information regarding the addition and definition of supplementary standards to City Council and said the proposal provides for additional compatible uses within certain districts which are not currently permitted. Ms. Carpenter provided examples which included artisan craft producers, outdoor gear builders, cooperative spaces or business incubators, and technology product developers. Ms. Carpenter stated microbreweries were modeled after small-scale manufacturing and said this type of business helped fill vacant spaces and activate otherwise difficult spaces in the downtown area. Ms. Carpenter stated the Downtown Advisory Board and Planning Board believe this new use will contribute positively to the vibrancy of the targeted zoning districts and said staff are proposing the addition and definition of a third categorical type of industrial use to be termed “Small-Scale Manufacturing.” Small-Scale Manufacturing is proposed to be a permitted use subject to Supplementary Standards in zoning district classifications C-1, C-2, C-3, CMU and HMU.

Staff also presented and discussed with City Council an analysis of the consistency with the relevant portions of the Comprehensive Land Use Plan and the Planning Board’s recommendation. Both were considered by the City Council.

Council Member Jeff Miller stated he has spoken with the Fire Chief and confirmed any new business is required to obtain a fire inspection.

The City Clerk confirmed this public hearing has been advertised in accordance with North Carolina General statutes. The public hearing was re-opened at 4:13 p.m.

Ben McDowell of 133 McDowell St. Canton addressed City Council expressing support for small scale manufacturing. Mr. McDowell stated he owns a small soap making business located at 429 N. Main St. and said this will allow his small business to expand and grow.

Ken Fitch of 1046 Patton St. addressed City Council via Zoom electronic software in support of the amendment with additional clarification regarding excessive vibration and particulates. Mr. Fitch expressed concerns of excessive vibration from particular types of equipment impacting historical building structures and asked for additional definition of the “means of production” to be considered.

There were no other digital comments received. The public hearing was closed at 4:19 p.m.

Council Member Jerry Smith inquired about excessive dust and particulate matter and excessive vibration as Mr. Fitch had raised. He also discussed the presented definition with Council Members who conceded the definition is defined broadly and is subject to building code and zoning enforcement. Community Development Director Lew Holloway addressed City Council via Zoom electronic software discussing multi-tenant structures and stated the intent of the definition allows flexibility for

staff to ask questions of applicants requesting to have this type of manufacturing in the residential areas and also reminded everyone that buffer requirements will be required. Council Member Jeff Miller clarified the ordinance can be amended in the future to mitigate any undesirable outcomes.

City Council Member Jeff Miller moved that City Council adopt the ordinance of the City of Hendersonville City Council to amend Article 5 - Zoning District Classifications: section 5-6-1, section 5-7-1, section 5-8-1, section 5-19-1, section 5-22-1, section 5-23-1, section 5-27-1; Article 12 - Definition of Terms: section 12-2; Article 16 - Supplementary Standards for Certain Uses: section 16-4 of the City of Hendersonville Zoning Ordinance to add and define small scale manufacturing to zoning district classifications c-1, c-2, c-3, CMU, GHMU, HMU and CHMU based on the following: It encourages infill development and redevelopment in areas planned for high intensity development (Goal LU-1); It will promote additional diversity of job opportunities within the City of Hendersonville; and It reflects adaptation by the City to changing market trends in retail and manufacturing. A unanimous vote of the Council followed. Motion carried.

Ordinance#O-21-44

AN ORDINANCE OF THE CITY OF HENDERSONVILLE CITY COUNCIL TO AMEND ARTICLE 5 - ZONING DISTRICT CLASSIFICATIONS: SECTION 5-6-1, SECTION 5-7-1, SECTION 5-8-1, SECTION 5-19-1, SECTION 5-22-1, SECTION 5-23-1, SECTION 5-27-1; ARTICLE 12 - DEFINITION OF TERMS: SECTION 12-2; ARTICLE 16 - SUPPLEMENTARY STANDARDS FOR CERTAIN USES: SECTION 16-4 OF THE CITY OF HENDERSONVILLE ZONING ORDINANCE TO ADD AND DEFINE SMALL SCALE MANUFACTURING TO ZONING DISTRICT CLASSIFICATIONS C-1, C-2, C-3, CMU, GHMU, HMU AND CHMU.

WHEREAS, the City of Hendersonville's Downtown Advisory Board and Planning Board have reviewed and recommended for adoption a zoning text amendment adding and defining Small Scale Manufacturing to the City of Hendersonville Zoning Ordinance; and

WHEREAS, City Council desires to promote the efficient use and reuse of commercial space within City limits by permitting compatible development and redevelopment; and

WHEREAS, City Council desires to promote a diverse local economy which promotes and supports small business job creation; and

WHEREAS, the addition of Small-Scale Manufacturing as a use represents a response to changing trends and opportunities within manufacturing and economic development in the City of Hendersonville.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Hendersonville, North Carolina that Article 5 – Zoning District Classifications: Section 5-6-1, Section 5-7-1, Section 5-8-1, Section 5-19-1, Section 5-22-1, Section 5-23-1 Section 5-27-1; Article 12 – Definition of Terms: Section 12-2; Article 16 – Supplementary Standards for Certain Uses: Section 16-4 of the City of Hendersonville Zoning Ordinance shall be amended to add and define small scale manufacturing to Zoning District Classifications C-1, C-2, C-3, CMU, GHMU, HMU, and CHMU as follows:

ARTICLE V ZONING DISTRICT CLASSIFICATIONS

Section 5-6 C-1 Central Business Zoning District Classification

5-6-1 Permitted Uses

Small Scale Manufacturing, subject to the Supplementary Standards contained in Section 16-4, below

Section 5-7 C-2 Secondary Business Zoning District Classification

5-7-1 Permitted Uses

Small Scale Manufacturing, subject to the Supplementary Standards contained in Section 16-4, below

Section 5-8 C-3 Highway Business Zoning District Classification

5-8-1 Permitted Uses

Small Scale Manufacturing, subject to the Supplementary Standards contained in Section 16-4, below

Section 5-19 CMU Central Mixed Use Zoning District Classification

5-19-1 Permitted Uses

Small Scale Manufacturing, subject to the Supplementary Standards contained in Section 16-4, below

Section 5-22 GHMU Greenville Highway Mixed Use Zoning District Classification

5-22-1 Permitted Uses

Small Scale Manufacturing, subject to the Supplementary Standards contained in Section 16-4, below

Section 5-23 HMU Highway Mixed Use Zoning District Classification**5-23-1 Permitted Uses**

Small Scale Manufacturing, subject to the Supplementary Standards contained in Section 16-4, below

Section 5-27 CHMU Commercial Highway Mixed Use Zoning District Classification**5-27-1 Permitted Uses**

Small Scale Manufacturing, subject to the Supplementary Standards contained in Section 16-4, below

ARTICLE XII DEFINITION OF TERMS**Section 12-2 Definition of Commonly Used Terms and Words**

Small Scale Manufacturing: The assembly, fabrication, or processing of goods and materials using processes that ordinarily do not create noxious noise, smoke, fumes, odors, glare, or health or safety hazards outside of the building where such assembly fabrication, or processing takes place. And where such processes are housed entirely within a building. And where such processes do not require frequent shipping and receiving activities by a truck rated Class 8 or above in the Federal Highway Administration's vehicle class system.

ARTICLE XVI SUPPLEMENTARY STANDARDS FOR CERTAIN USES**Section 16-4 Standards****16-4-30 SMALL SCALE MANUFACTURING**

- a) The front of the building at street level shall remain open and visible from the sidewalk with a view of the activities inside; and*
- b) A showroom, display area, or sales area shall be provided.*
- c) Outdoor storage of goods and materials shall not be permitted in zoning district classifications C-1, CMU, GHMU, HMU & CHMU.*
- d) Outdoor storage of goods and materials shall not exceed 25% of the total footprint of all buildings on the property in zoning district classifications C-2 & C-3.*
- e) Newly constructed shipping and receiving facilities shall be designed such that they are internal to the site, in service alleys or at the back of the building.*
- f) Shipping and receiving needs shall not exceed the equivalent of (1) FHWA Class 8 truck per week.*
- g) Reuse of an existing building shall not exceed 20,000 square feet of building floor space.*
- h) New construction shall not exceed 10,000 square feet of building floor space.*

Adopted by the City Council of the City of Hendersonville, North Carolina on this 22nd day of September, 2021.

/s/Barbara G. Volk, Mayor

Attest: /s/Angela L. Reece, City Clerk

Approved as to form: /s/Angela S. Beeker, City Attorney

3. NEW BUSINESS**A. Quarterly Financial Update – Brain Pahle, Assistant City Manager**

Assistant City Manager Brian Pahle presented the Quarterly Financial Update to Council and clarified this is an unaudited estimate and said Council could expect their audit on schedule at year end. Manager Pahle reviewed the City's financial position for the end of Fiscal Year 21 (FY21), reviewed impacts on the FY22 Budget, and provided information regarding upcoming Budget impacts. Manager Pahle discussed the following figures:

FY21

- Revenues **\$18.3M**
- Expenditures **\$16.8M**
- Other Fund Sources **\$62k**
- Fund Balance **+\$1.5M**

FY22

- Revenues **\$19.3M**
- Expenditures **\$18.9M**
- Other Fund Sources **\$838k**
- Fund Balance **+\$1.2M**

City Manager John Connet discussed the health of the Fund Balance and recalled a bond rating discussion earlier this week and said having an adequate fund balance is very important to having a high bond rating.

4. NEW BUSINESS

A. Parking Deck Guaranteed Maximum Price (GMP) and Amendment to Contract with Edifice General Contractors – Brian Pahle, Assistant City Manager

Assistant City Manager Brian Pahle stated Edifice Construction has bid the construction of the Parking Deck project and said they are now providing us a guaranteed maximum price (GMP) of \$9,575,372. Manager Pahle stated this does not include any of the bid alternates and said there may be opportunities to lower this price moving forward in the project. Edifice representative, Andy Aldridge attended the meeting and reviewed and summarized the GMP figures and answered questions by Council. Mr. Aldridge discussed project variances and stated his professional opinion is that prices will not decrease due to the high level of construction in all NC markets for the next two years. Mr. Aldridge discussed alternate additions for thin brick, bio-infiltration cells, and permeable pavers. Manager Pahle discussed affordability, revenues, and debt service of the project and presented the following options for Council consideration:

- Transfer of **\$1M** from the General Fund (Jan. 2022)
- Transfer Lot Revenues = **\$130k** (Jan. 2022)
- Parking Meters on Main St. = **\$1.75** per Hour (Jan. 2023)
- Implement Leased Permit Fees (Jan. 2023)

Council Members discussed preferences of the amount of parking kiosks and clarified the desire is to have as few as possible while maintaining tourist friendly environment. The consensus of City Council was to proceed with transfers through a budget amendment at their next regularly scheduled meeting and to evaluate the number of parking kiosks as they begin to be implemented.

City Council Member Lyndsey Simpson moved that City Council adopt the Resolution Authorizing the City Manager to Execute a Contract Amendment with Edifice Construction for A Guaranteed Maximum Price (GMP) not to exceed \$9,575,372 including the addition of the following alternates: thin brick veneer; bio-infiltration Cells; and permeable pavers; and to Authorize the City Manager to Make Change Orders for The Parking Deck Construction Project as presented. A unanimous vote of the Council followed. Motion carried.

Resolution #R-21-92

RESOLUTION BY THE CITY OF HENDERSONVILLE CITY COUNCIL TO AUTHORIZE THE CITY MANAGER TO EXECUTE A CONTRACT AMENDMENT FOR A GUARANTEED MAXIMUM PRICE (GMP) AND AUTHORIZE THE MANAGER TO MAKE CHANGE ORDERS FOR THE PARKING DECK CONSTRUCTION PROJECT

WHEREAS, the North Carolina General Assembly allows for construction management at risk contracts under G.S. 143-64.31; and

WHEREAS, the City entered into a contract with Edifice General Contractors for construction manager at-risk services for the Parking Deck project; and

WHEREAS, Edifice General Contractors have proposed a contract amendment to establish the guaranteed maximum price (GMP) for the project; and

WHEREAS, subsequent change orders made to the project after award of the GMP are not subject to competitive bidding requirements as the original contract GMP was competitively bid and there is no limitation on the dollar amount of change order work under G.S. 143-129(e)(4); and

WHEREAS, there is a list of unforeseen circumstances in the design of the project that require changes to deliver a quality construction project.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hendersonville, North Carolina that:

- I. The City Manager is authorized to execute the guaranteed maximum price contract amendment for the Parking Deck project in an amount not to exceed \$9,575,372.

2. The City Manager is authorized to approve any changes orders that include deductive changes, and any change orders that do not require a project budget ordinance amendment.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 22nd day of September, 2021.

/s/Barbara G. Volk, Mayor

Attest: /s/Angela L. Reece, City Clerk

Approved as to form: /s/Angela S. Becker, City Attorney

B. Discuss Expansion of Public Works Department – *Tom Wooten, Public Works Director*

Public Works Director, Tom Wooten addressed City Council presenting information regarding projects, staffing, and workload in the department stating he must routinely pull staff from other departments to complete daily tasks. City Manager John Connet clarified that staff are making and repairing utility cuts for areas out in the county in which the city services water and said it is important to recognize that crews may be far out of the city at any given time. City Manager Connet discussed levels of service and expectations and stated the addition of positions were necessary to continue. The general consensus of Council Members was to approve the requested positions through a budget amendment at their next regularly scheduled meeting.

C. Mental Health Counseling for Public Safety Departments – *James Miller, Fire Chief and Blair Myhand, Police Chief*

Police Chief Blair Myhand addressed City Council expressing thanks and appreciation to Fire Chief James Miller for highlighting the need for a mental health professional on staff to combat the cumulative effects of stress on public safety staff. Fire Chief James Miller discussed the stresses of traumatic events, COVID, finances, and employee retention having adverse effects on staff and said it is important to have someone on hand that staff can build a relationship with to combat stressors. Chief Miller discussed recent child deaths and vehicle crashes that public safety personnel staff responded to and said fire and law enforcement staff are reluctant to discuss mental health issues with persons who are unfamiliar with their roles. Chief Miller and Chief Myhand discussed the need for “embedded clinicians” and referred to a successful program that began in Asheville in which the city could model after. Council Members unanimously supported mental health counseling services for public safety and expressed a desire to develop a program and directed staff prepare a budget amendment for approval at their next regularly scheduled meeting.

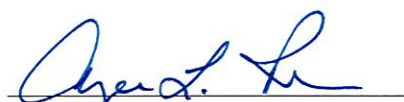
D. Request to Establish a Hiring Bonus Program for Recruitment of New Employees – *Jennifer Harrell, Human Resources Director and Blair Myhand, Chief of Police*

Human Resources Director Jennifer Harrell addressed City Council stating staff has noticed increasing challenges in hiring for all open positions across the organization and said staff recognizes that employees are crucial to the success of the City’s mission and strategic goals in seeking quality new hires, increasing new hire retention, increasing diversity within the organization, acquire candidates with specific skills, and to expand the pool of potential applicants. Director Harrell stated many surrounding organizations have begun offering hiring bonuses and said in order to attract and retain qualified employees’ staff is asking guidance from City Council to establish a hiring bonus program and employee referral program. Police Chief Blair Myhand and Fire Chief James Miller both addressed City Council discussing challenges their departments are facing with attracting qualified candidates. City Manager John Connet stated much research has been conducted on this topic and said many organizations are not sharing their bonus amounts due to it being so competitive. The consensus of the City Council was to support a program with any bonuses spread out over a period of time instead of one lump sum at onset of employment. Council Members unanimously supported establishing a hiring bonus program for recruiting new employees and directed staff prepare a budget amendment for approval at their next regularly scheduled meeting.

4. ADJOURN

There being no further discussion, the meeting was adjourned at 6:02 p.m. upon unanimous assent of the Council.

ATTEST:


Angela L. Reece, City Clerk


Barbara G. Volk, Mayor

