



CITY OF HENDERSONVILLE BUSINESS ADVISORY COMMITTEE

City Hall – 2nd Floor Meeting Room | 160 6th Ave. E. | Hendersonville, NC 28792
Monday, January 12, 2026 – 11:30 AM

AGENDA

1. **CALL TO ORDER**

2. **APPROVAL OF AGENDA**

3. **APPROVAL OF MINUTES**

A. October 13, 2025 - *Jill Murray, City Clerk*

4. **NEW BUSINESS**

A. State of the City Presentation - *John Connet, City Manager*

B. 2026 City of Hendersonville Focus Areas - *John Connet, City Manager*

C. Downtown Hotel RFP - *John Connet, City Manager*

5. **OTHER BUSINESS**

6. **ADJOURNMENT**

The City of Hendersonville is committed to providing accessible facilities, programs and services for all people in compliance with the Americans with Disabilities Act (ADA). Should you need assistance or an accommodation for this meeting please contact the City Clerk no later than 24 hours prior to the meeting at 697-3005.



CITY OF HENDERSONVILLE
BUSINESS ADVISORY COMMITTEE
 City Hall – 2nd Meeting Room | 160 6th Avenue E. | Hendersonville NC 28792
 Monday, October 13, 2025– 11:30 AM

MINUTES

Present: Chairman Ken Gordon, Vice-Chair Rebecca Waggoner, Adam Justus, Chris Cormier, Michael Gilligan, Tiffany Lucey, Jake Ross & Melinda Lowrance

Absent: Andrea Martin & Sarah Cosgrove

Staff Present: City Manager John Connet, Deputy City Manager Brian Pahle, City Clerk Jill Murray, Communications Director Allison Justus

1. CALL TO ORDER

Chairman Ken Gordon called the meeting to order at 11:30 a.m. and welcomed those present.

2. APPROVAL OF AGENDA

Fair Waggoner moved to approve the agenda as presented. Motion carried unanimously.

3. APPROVAL OF MINUTES

Fair Waggoner moved to approve the minutes of July 14, 2025. Motion carried unanimously.

4. NEW BUSINESS

A. Approval of 2026 Annual Schedule of Regular Meetings - *Jill Murray, City Clerk*

NOTICE

City of Hendersonville Business Advisory Committee | 160 Sixth Avenue East Hendersonville, NC 28792

CITY OF HENDERSONVILLE

Business Advisory Committee

2026 ANNUAL SCHEDULE OF REGULAR MEETINGS

Regular Meetings of the City of Hendersonville Business Advisory Committee are held **Quarterly on the second Monday of January, April, July, and October, at 11:30 a.m.** in the 2nd Floor Meeting Room inside of City Hall located at 160 6th Avenue East, Hendersonville NC.

The following regular meetings have been scheduled for 2026:

January 12, 2026

April 13, 2026

July 13, 2026

October 12, 2026

Meetings are open to the public.

Ken Gordon, Chairman

The City of Hendersonville is committed to providing accessible facilities, programs, and services for all people in compliance with the Americans with Disabilities Act (ADA). Should you need assistance or a particular accommodation for this meeting please contact the City Clerk no later than 24 hours prior to the meeting at 697-3005.

Adopted: 10/13/2025 Posted: 10/13/2025
<https://www.hendersonvillenc.gov>



B. Transportation General Obligation Bond Referendum Update - *Brian Pahle, Deputy City Manager*

Deputy City Manager Brian Pahle presented the following PowerPoint presentation to the Board.

GO BOND - TRANSPORTATION

Today's Agenda – 10/13/2025

- I. Overview of Project
- II. Project Timeline
- III. Budget
- IV. Implementation Strategy
- V. Next Steps

DESIRED OUTCOMES

01

Update City Council and the public on the current schedule and strategy for the proposed 2026 GO Bond for Transportation Improvements.

02

Finalize guidance that Council is ready to move forward with the legal process for advancing the issuance.

PROJECT OVERVIEW

21-Aug-2008 | 14:17 EDT

Hendersonville, NC GO Bond Rating Raised To 'AA-' On Consistent Operating Results

View Analyst Contact Information

Table of Contents

NEW YORK (Standard & Poor's) Aug. 21, 2008--Standard & Poor's Rating Agency has raised its standard long-term rating and underlying rating (SPUR) on Hendersonville, N.C.'s general obligation (GO) bonds to 'AA-' from 'A+', based on the city's long trend of positive operating results supported by very strong reserve levels, good management and conservative budgeting practices and steady tax base appreciation. The outlook is stable.

At the same time, the rating service has assigned its 'AA-' standard long-term rating to the city's \$2.1 million GO sidewalk bonds series 2008.

Hendersonville, North Carolina Pedestrian Plan



Funding Opportunities

The construction of a comprehensive connected pedestrian network and ancillary facilities can occur through incremental adoption of local policies and programs and State programs, as well as through the receipt of private contributions. With this in mind, it will be important for the City of Hendersonville to identify funding sources to implement the recommendations of this plan. While some projects and programs will be funded by the City, alternatives are available to provide financial support for improving the local pedestrian network.

Local Programs

Local funds should be used for projects not on major state routes. Usually these are most successful when a state-funded incidental project — such as a road widening — has already been programmed. Local funding sources tend to be flexible, and include general revenue expenditures as well as proceeds from bond programs. An exception to this policy may include high priority connections along roads unlikely to be developed.

Improvement Program

Several types of potential local pedestrian funding sources are available for the City of Hendersonville. Over the 2004-2005 fiscal year of the Capital Improvement

Programs (CIP), the City has budgeted \$60,000 for sidewalk repairs and construction of new sidewalks. As future CIPs are assembled, there will be an opportunity to reallocate funds in order to promote this type of project.

Powell Bill

Powell Bill funds are collected by the state in the form of a gasoline tax. The amount of these funds distributed to a municipality is based on the number of street miles to be maintained and the City's population.

Transportation Bonds

Transportation bonds have been instrumental in the strategic implementation of local roadways, transit, and non-motorized travel throughout North Carolina. Voters in communities both large and small regularly approve the use of bonds in order to improve their transportation system. Improvements to the pedestrian system in Hendersonville would be a type of project that could be funded using a transportation bond program.

On February 3, 2004, the City of Hendersonville passed a bond referendum for \$2.1 million. This funding is to be used for construction, reconstructing and improvement of sidewalks in said City, including the acquisition of any necessary land and rights-of-way and the installing of related landscape improvements. The City is awaiting

PROJECT OVERVIEW

Timeline of GO Bond Discussions

- **March 2023** – Council Retreat identifies a transportation bond as a priority; **“fix the damn streets”**
 - 🟡 Off Track
25.SI.g Improve 375k sq. ft. of Street Conditions Annually Through 2028 to Improve PCI score by 5% ↗
- **September 2024** – Staff/Consultants present the updated pavement condition index; **scores improved to a 74**
- **February 2025** – Staff present funding strategies for street resurfacing
- **April 2025** – Council Workshop review of funding strategy for transportation bond; considers **PROWAG**, complete streets...
- **June 2025** – Council approves budget with plan for **\$10m bond issuance** in March of 2026

PROJECT OVERVIEW

Table 9. All Asphalt Roads - Scenarios Summary

Year Beginning July 1, 2025	Do Nothing	\$1.402M to Maintain PCI 74	\$1.886M Annual Budget to Achieve PCI 80
2025	70	74	76
2026	67	74	78
2027	63	75	80
2028	59	74	81
2029	56	74	80

- 1,678 assessed
- 98% of curb ramps were non compliant



PROJECT OVERVIEW



Core Values Guiding Our Transportation Bond

1. Prioritizing Pavement Condition for Long-Term Value
2. Strategic and Transparent Use of Funds
3. Timely Delivery with Measurable Impact
4. Equal Access and ADA Compliance
5. Balanced Investment Across the Network
6. Advancing Complete Streets and Walk Hendo Goals

PROJECT TIMELINE

Council Actions

- **Oct. 2** – Notice of Intent to Apply
- **Nov. 6** – Introduce Bond Order/Set Public Hearing
- **Dec. 4** – Hold Public Hearing
- **Mar. 3** – Referendum
- **Apr. 2** – Certify the Results

SCHEDULE FOR GENERAL OBLIGATION BOND REFERENDUM HENDERSONVILLE - MARCH 2026

10/2/25	City Council adopts (1) Resolution directing publication of notice of intent to apply to the Local Government Commission (the "LGC"); (2) Resolution authorizing the Finance Officer to apply to the LGC and making certain findings of fact
10/5/25	Publish Notice of Intent in <i>Newspaper of General Circulation</i> [have to wait 10 days after publication of Notice of Intent before applying to the LGC]
10/20/25	File Application with LGC with draft Sworn Statement of Debt [receive notice from LGC confirming receipt of Application which must occur before the Bond Orders are introduced]
11/6/25	City Council (1) Introduces the Bond Order(s); (2) Adopts the Resolution setting a public hearing on the Bond Order(s)
by 11/23/25	(1) Send Statement of Disclosure to LGC, post Statement on the City's Website and file with the City Clerk's Office (day before the notice of Public Hearing is published); (2) Publish Notice(s) of Public Hearing on the Bond Order(s) in <i>Newspaper of General Circulation</i> [at least 6 days before public hearing]; and (3) File Sworn Statement of Debt with the City Clerk and LGC
12/4/25	City Council (1) holds public hearing(s) on Bond Order(s); (2) adopts the Bond Order(s) at the conclusion of the public hearing; and (3) adopts the Resolution setting Bond Referendum
12/5/25	Clerk delivers certified copy of the Resolution setting Bond Referendum to the County Board of Elections
12/7/25	Publish Bond Order(s) as adopted in <i>Newspaper of General Circulation</i>
12/8/25	File Notice with Joint Legislative Commission
by 1/23/26	Publish first Notice of Special Bond Referendum in <i>Newspaper of General Circulation</i> [Not less than fourteen days before last day to register to vote for Bond Referendum]
by 1/30/26	Publish second Notice of Special Bond Referendum in <i>Newspaper of General Circulation</i> [Not less than seven days before last day to register to vote for Bond Referendum]
2/6/26	Last day to register to vote
3/3/26	Referendum
3/13/26	Canvass of Election by the County Board of Elections
4/2/26	City Council adopts Resolution Certifying and Declaring Results of Special Bond Referendum
After 4/2/26	Publish Statement of Results in <i>Newspaper of General Circulation</i>
May 2026	LGC approval of Bond Order(s) [current LGC policy is to approve post-election]

BUDGET

Revenues

	Total	Per Year (for 5 years)
Total Budget	14,500,000	2,900,000
Debt Proceeds	10,000,000	2,000,000
Annual Revenues	4,500,000	900,000

Debt Service

Series 2027 - G.O. Bond Transportation				8
Principal	Interest	Debt Service	Balance	
10,000,000	4,725,000	14,725,000		
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	10,000,000
500,000	450,000	950,000	9,500,000	
500,000	427,500	927,500	9,000,000	
500,000	405,000	905,000	8,500,000	
500,000	382,500	882,500	8,000,000	
500,000	360,000	860,000	7,500,000	
500,000	337,500	837,500	7,000,000	
500,000	315,000	815,000	6,500,000	
500,000	292,500	792,500	6,000,000	
500,000	270,000	770,000	5,500,000	
500,000	247,500	747,500	5,000,000	
500,000	225,000	725,000	4,500,000	
500,000	202,500	702,500	4,000,000	
500,000	180,000	680,000	3,500,000	
500,000	157,500	657,500	3,000,000	
500,000	135,000	635,000	2,500,000	
500,000	112,500	612,500	2,000,000	
500,000	90,000	590,000	1,500,000	
500,000	67,500	567,500	1,000,000	
500,000	45,000	545,000	500,000	
500,000	22,500	522,500	-	

Model Impacts

Revenue Requirements and Sources						Financial Sustainability Scorecard		
						25%		
FY	Tax Rate	Revenue Neutral Rate	Value of a Penny	Natural Growth Rate / Reval	Growth Rate Development	Available FB (Ass. + Unass.)	Available FB as a % of Expenditures	Amount Above (Under) Policy
2020	49.00	41.81	214,263	18.00%	0.00%	5,949,067	36.7%	1,826,836
2021	49.00	49.00	218,956	2.39%	0.00%	3,460,866	20.0%	(718,214)
2022	52.00	52.00	221,658	1.34%	0.00%	5,777,008	30.1%	981,559
2023	52.00	52.00	230,781	4.11%	0.00%	7,353,518	30.7%	1,371,566
2024	49.00	40.43	302,187	23.00%	0.00%	6,159,237	23.8%	(306,981)
2025	52.00	52.00	328,020	7.22%	0.00%	7,336,091	26.7%	463,267
2026	52.00	52.00	337,765	2.97%	0.00%	7,828,221	27.1%	594,211
2027	52.00	52.00	341,143	1.00%	7.61%	7,745,031	25.9%	272,756
2028	50.00	44.24	403,324	16.00%	3.23%	8,025,630	25.3%	100,836
2029	50.00	50.00	429,471	3.25%	4.24%	9,221,111	28.1%	1,026,960
2030	50.00	50.00	460,586	3.00%	1.02%	9,278,267	26.3%	470,874

IMPLEMENTATION STRATEGY

How to allocate the funds?

		Prioritization of Transportation Bond Projects												
Projects	Segment	Factors												
		Travel Frequency Weighted Score*	Match Funding Available / Likely	In HIN**	PCI Weighted Score ***	ADA Weighted Score ***	Transportation Disadvantage Census Tract #	On Transit Route	Within 1/2 Mile of Park ##	Within 1/2 Mile of School/ Library ##	Within 1/2 Mile of Greenway ##	Bike Plan Project Overlap	Ped Plan Project Overlap	Connectivity /Greenway Project Overlap
3rd Ave E	N Main St to King St	3	1	3	5	3	1	1	0.5	1	1	0	1	0
N Main St	7th Ave E to 5th Ave E	3	1	3	3	2	1	1	1.5	1.5	0	1	1	0
N Justice St	6th Ave (US64) to Haywood Rd (191)	3	1	0	5	3	0	1	0.5	0.5	1	1	1	1
Ray Ave	N Main St to Ashe St	2	1	1	4	3	1	1	0.5	0.5	1	1	1	0
7th Ave E	Ashe St to Mud Creek	3	1	0	3	3	1	1	1	1.5	1	1	0	0
4th Ave E	N Pine St to Harris St	3	1	0	4	2	1	1	1	0.5	1	0	1	0
Hebron Rd	Yarborough St to Temon St	3	1	1	5	2	0	0	0.5	0	1	0	1	0

- Challenge: This approach resulted in six (6) projects, resulting in only ~1.2 miles of paving in year one.

Row Labels	Max of UNIT CODE	Sum of QUANTITY	Sum of AMOUNT
2" Asphalt Milling	SY	16,455	164,550
2" Asphalt Overlay	SY	16,455	411,375
Concrete Curb and Gutter	LF	6,630	430,950
Concrete Driveway Apron 6"	SY	67	10,050
Concrete Sidewalk 4"	SY	3,419	393,185
Concrete Sidewalk Demo	SY	3,419	188,045
Mobilization (3%)	LS	6	19,200
Pavement Marking	LS	6	30,000
Pedestrian Ramp	EA	67	388,600
Traffic Control (5%)	LS	6	32,400
Grand Total			2,068,355

Breakdown = Tier 1 – 38%; Tier 2 – 24%; Tier 3 – 38%

IMPLEMENTATION STRATEGY

How to allocate the funds?

Per Year Allocation

	Tier 1 - Resurfacing		Tier 2 - ADA Curb Ramps		Tier 3 - Complete Streets	
Year 1	\$	1,659,863	\$	490,118	\$	750,019
Year 2		1,659,863		490,118		750,019
Year 3		1,659,863		490,118		750,019
Year 4		1,659,863		490,118		750,019
Year 5		1,659,863		490,118		750,019
Total	\$	8,299,317	\$	2,450,588	\$	3,750,095
	Sq. Ft. Resurfaced		# of Curb Ramps			
Year 1		507,918		85	Ex. King Street Construction	
Year 2		507,918		85	Ex. Bike Lanes & New Sidewalk	
Year 3		507,918		85	Ex. Main St. Brick Crosswalks	
Year 4		507,918		85	Ex. Bollards at 6th Ave.	
Year 5		507,918		85	Ex. Traffic Calming Measure	
Total		2,539,591		423	Overall +Network/Safety	

Final Breakdown = Tier 1 - 57%; Tier 2 – 17%; Tier 3 – 26%

IMPLEMENTATION STRATEGY

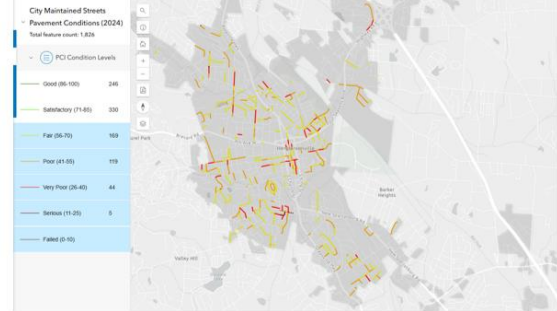
How to allocate the funds?

- **Tier 1**
 - Improves PCI to ~79 in five (5) years
 - Repaves ~2.5m Sq. Ft.
 - All Segments <= Fair
- **Tier 2**
 - Replaces ~25% of Non-compliant Curb Ramps
- **Tier 3**
 - \$750k per Year to Safety & Network Improvements

Per Year Allocation

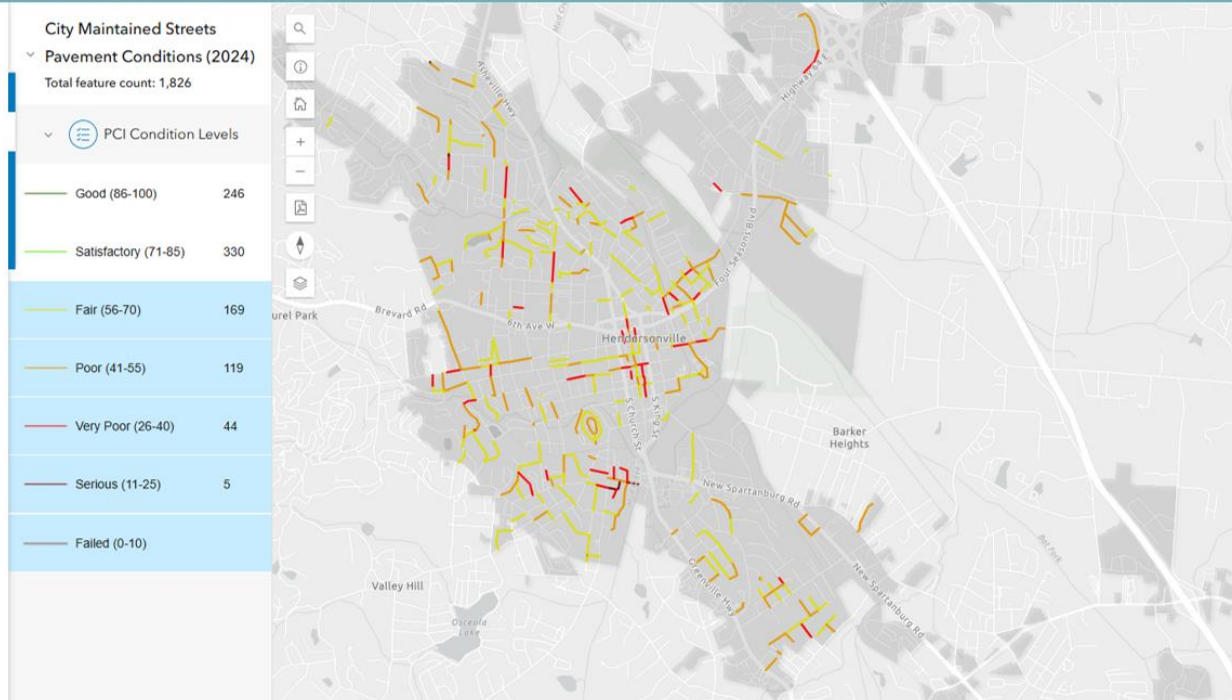
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Total		2,539,591	423		Overall +Network/Safety



Tier 3 – Address fatal and serious injuries between ped./bike and motor vehicles

IMPLEMENTATION STRATEGY



NEXT STEPS

Council Actions

- **Oct. 2** – Notice of Intent to Apply
- Direction on Bond Language

PSA

Municipalities, counties, and other local governments **cannot spend taxpayer money to explicitly endorse a "yes" or "no" vote** on a bond referendum.

Permissible actions for local governments include:

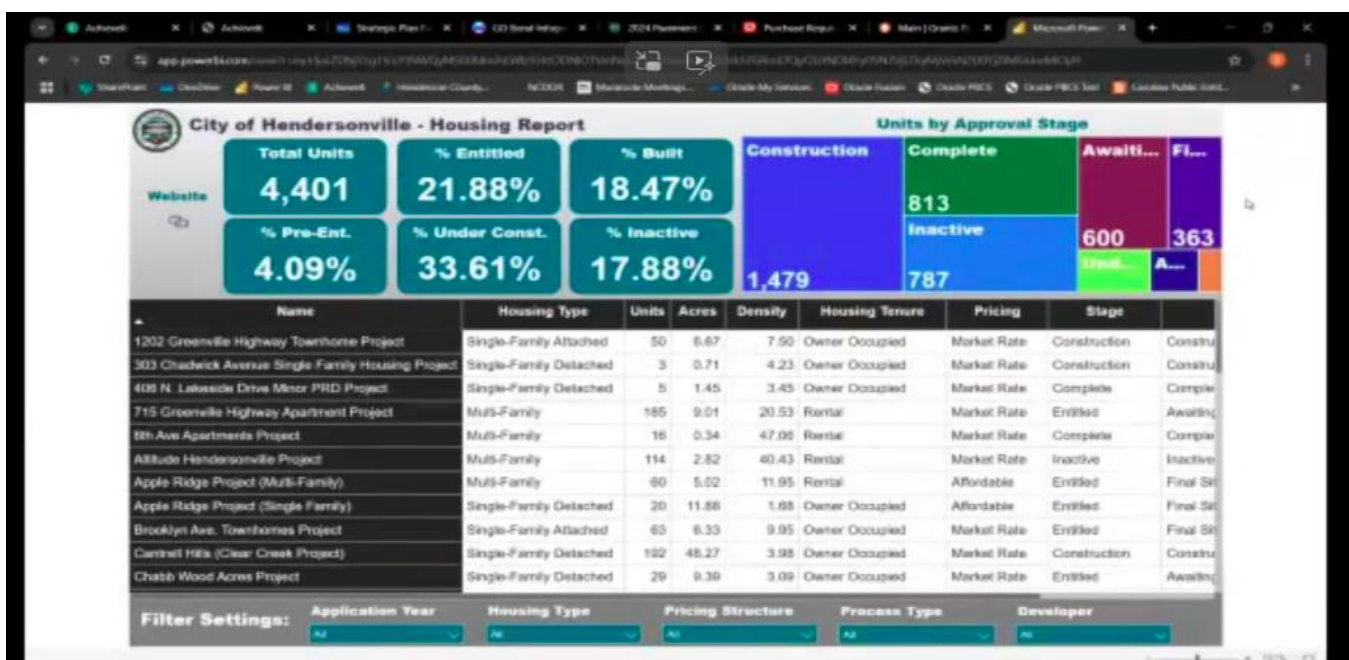
- Hosting public meetings to explain a bond proposal.
- Producing informational packets or videos outlining the proposed projects and the estimated cost.
- Creating a website with frequently asked questions and project details.

Staff Actions

- Start Implementing Communications Plan

C. Unhoused Population Update and Discussion - Various Staff

City Manager Connet went over the Housing Report on the City's website and the was quite a bit of back and forth with the Board with Mr. Connet answering questions. Mr. Connet said that this is something that as a nation, we are going to have to learn how to deal with. It is everywhere and has to be dealt with everywhere. Deputy City Manager Brian Pahle also said that Jenny Floyd and the unhoused resource team are providing a resource to the downtown committee, and we will send it out to this committee as well. It has contact information with a group of peer support specialists that will come out and move the unhoused along but also try to get them services.





**Henderson County
Unhoused Resource
Network**

2025

Community Resources

Family Services

Children & Family Resource Center - (828) 698-0674 <https://www.childrenandfamily.org>
Diapers, wipes, baby formula. Bi-lingual case management and resource navigation.

Safelight- (828) 693-3840 <https://safelightfamily.org>
Support for victims of interpersonal violence, abuse, and exploitation

Basic Needs

Interfaith Assistance Ministry - (828) 697-7029 <https://www.iam-hc.org>
Food, clothing, heat & utility assistance, rent, medications, and other basic needs

Salvation Army- (828) 693-4181 <https://southernusa.salvationarmy.org/henderson-polk-transylvania/>
Food, clothing, rent & utility assistance

The Storehouse - (828) 692-8300 <https://www.storehouseonline.org>
Food and Hygiene pantry

Henderson County Food Pantries- <https://www.hendersoncountync.gov/health/page/food-distribution-calendar>

Hendersonville Rescue Mission - (828) 697-1354 <https://www.hendersonvillerescuemission.org>
Food, clothing, medical clinic, toiletries

Shelter

Hendersonville Rescue Mission - (828) 697-1354 <https://www.hendersonvillerescuemission.org>

Safelight- (828) 693-3840 <https://safelightfamily.org>
24/7 Crisis Hotline and Shelter for people experiencing interpersonal violence.

Health Needs

Mobile Crisis Management - 1-888-573-1006
Crisis help for mental health, substance abuse, and developmental disabilities

Blue Ridge Community Health - (828) 692-4289 <http://www.brchs.com/>
Affordable primary health care, prenatal care, behavioral health, pediatric care, and dentistry

The Free Clinics - (828) 697-8422 <https://www.thefreeclinics.org/>
Medical, psychological services, and specialty care

Vaya Health - 1-800-849-6127 <https://www.vayahealth.com/>
Help finding mental health care 24/7 through the Access to Care phone line.

Street Outreach

Love and Respect - (828) 595-2202 <https://www.loveandrespectcommunityforrecoveryandwellness.org/>
Street outreach and response for those in need

City of Hendersonville

Code Enforcement - Kathy Bragg - kbragg@hvlnc.gov
Henderson County Unhoused Resource Network- Jenny Floyd - jfloyd@hvlnc.gov
City of Hendersonville Police Department Non-Emergency - (828) 697-3025



5. OTHER BUSINESS – None

6. ADJOURNMENT

Fair Waggoner moved to adjourn and there being no further discussion the meeting was adjourned at 12:37 p.m. upon unanimous assent of the Committee.

Ken Gordon, Chairman

ATTEST:

Jill Murray, City Clerk



State of City

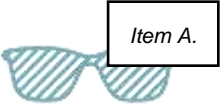
January 2026

Mayor Barbara Volk

City Manager John Connet

Mayor Barbara Volk





Our Vision

Hendersonville is a vibrant mountain
city
where the government and citizens
work
together for a high quality of life.



Our Mission

The City of Hendersonville is
committed
to providing quality, efficient
services to

CITY OF HENDERSONVILLE FY26 RECOMMENDED BUDGET AT A GLANCE



GREAT PUBLIC SERVICES



SOUND INFRASTRUCTURE



NUMEROUS AMENITIES



STRONG PARTNERSHIPS



ECONOMIC VITALITY



FINANCIAL SUSTAINABILITY

COUNCIL GOALS

Item A.

Rank #1 - Public Safety

Rank #2 - Compensation, Benefits, and Staff

Development

Rank #3 - Strong Infrastructure

Rank #4 - Strategic Housing Plan

Rank #5 - Growth Management and Community Character

Rank #6 - Invest in Parks

Rank #7 - Enhance Sustainability Citywide

Rank #8 - Transportation Planning

Rank #9 - City Boards and Volunteers

Rank #10 - Support Downtown Businesses

The Fiscal Year 2025-2026 (FY26) budget was developed based upon information presented and discussed during our City Council and Staff Retreat on Feb. 27 and 28, 2025.

We are entering our final year of the 3-year plan and will begin developing a scope for the next 3-year plan during the FY27 budget development process.

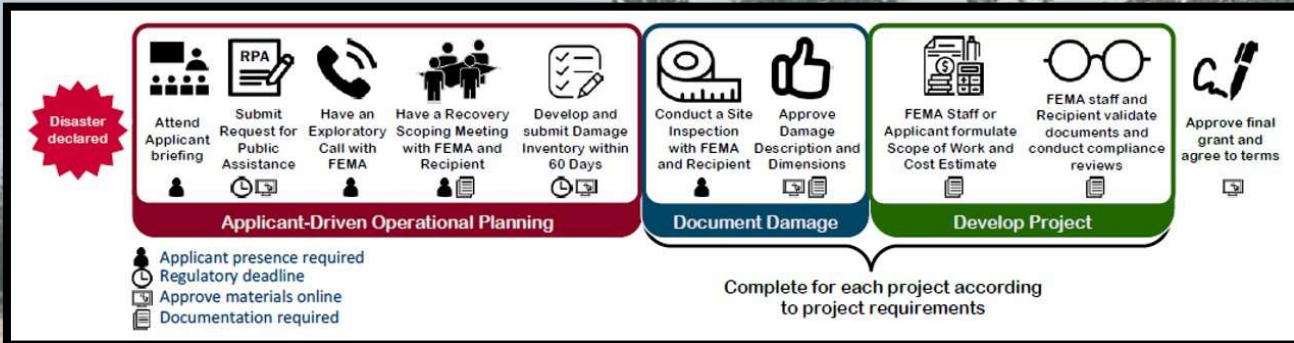
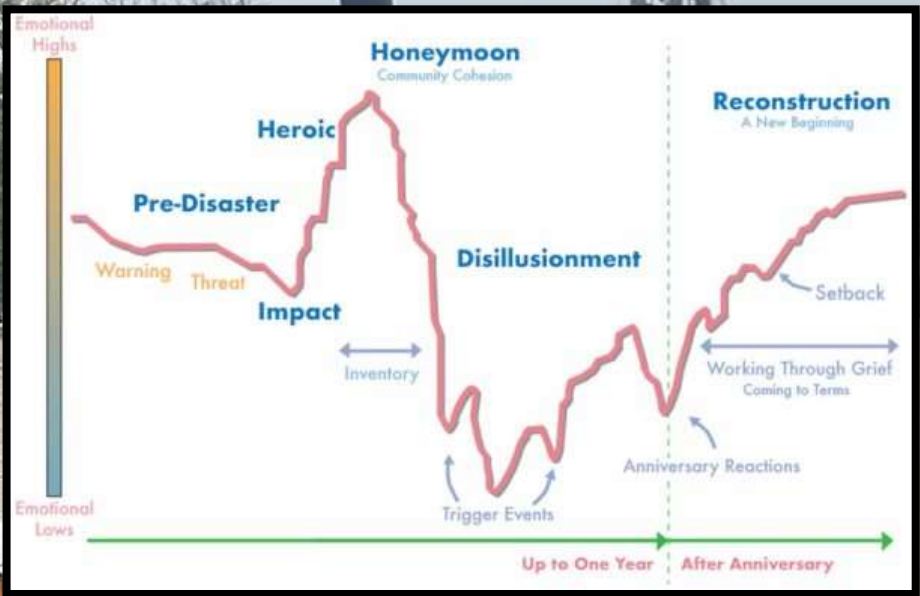
Each goal area to the left is tracked in the City's strategic planning documents, which can be found online at:

www.hvlnc.gov/strategicplan

Population Trends

- 2020 Census - 15,181
 - 2021 Estimate - 16,262
 - 2022 Estimate - 16,654
 - 2023 Estimate - 16,936
 - 2024 Estimate - 17,149
-
- Source - U.S Census and N.C. State Demographer





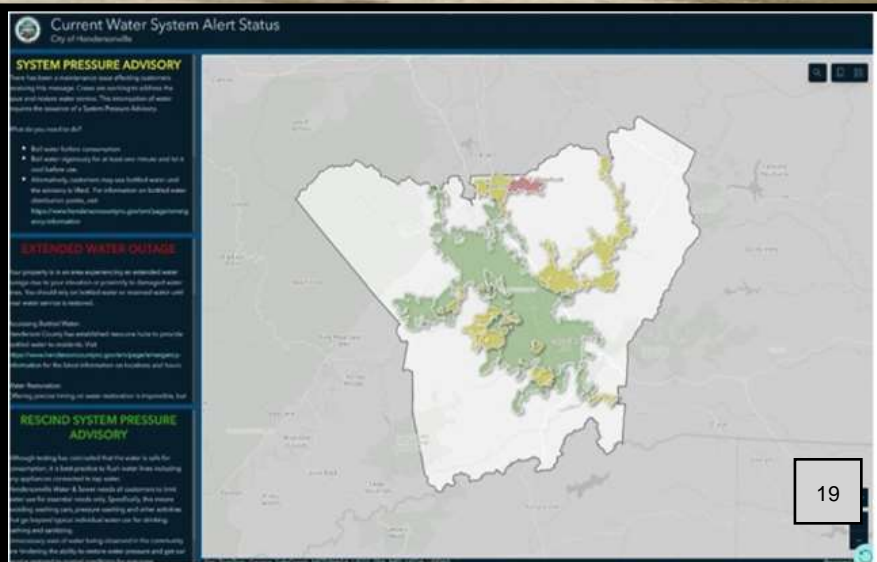
HENDERSONVILLE SHINES THROUGH A CIRCLE OF GLOOM

(By The Hendersonville Star)

Hendersonville shines through the gloom of disaster. "Hendersonville is a town that has been through a lot of adversity, but it has always come out stronger on the other side," said Mayor Tom Ivers. "We are proud of the resilience of our community and the way we have come together to overcome these challenges."

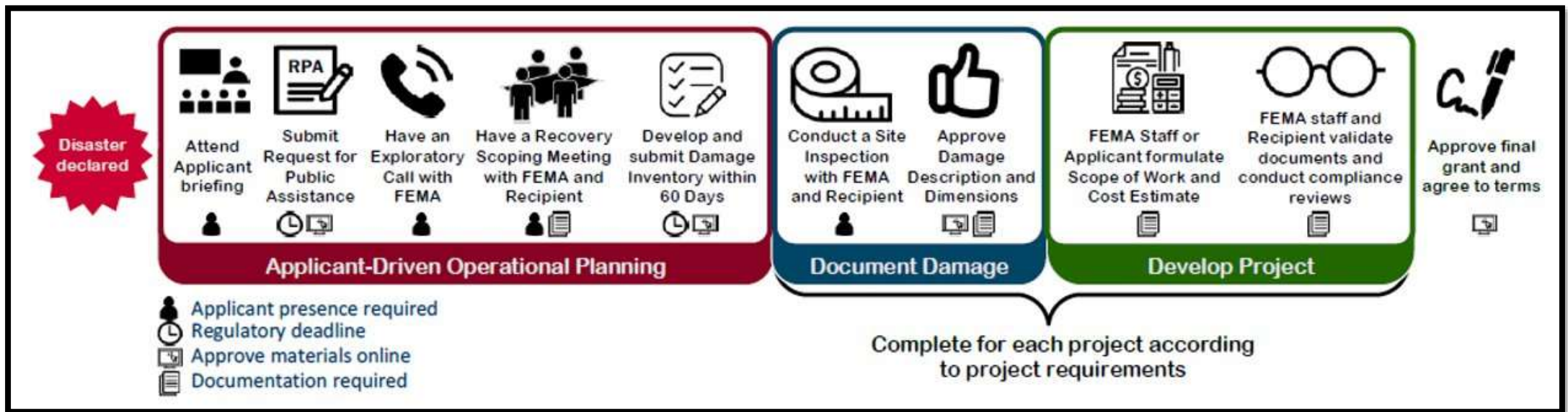
The town of Hendersonville, North Carolina, is a town that has been through a lot of adversity, but it has always come out stronger on the other side. The town is known for its resilience and the way it has come together to overcome these challenges. The town is a town that has been through a lot of adversity, but it has always come out stronger on the other side.

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Budget, Obligations, and Revenues

- Current Revised Budget = \$10,031,350 Projected Budget = ~\$160,000,000
- Current Actuals & Obligations = \$9,187,927 Non-Reimb. Actuals = \$288,074
- Current Revenues **Current Net Surplus/(Deficit) = \$6,401,959**
 - FEMA = \$1,578,317
 - Insurance = \$3,372,564
 - Loans = \$10,639,005



Fixed Cost Offers

Public Assistance Program and Policy Guide (PAPPG): A Fixed Cost Offer is an estimated and fixed amount of federal funding that an eligible applicant can accept for a project, rather than waiting for reimbursement based on final, actual eligible costs.

➤ **Wastewater Treatment Plant**

- Expedited Design Underway; Letter of Intent Submitted; Justification and Cost Estimates Ready for Submission

➤ **Patton Park & Pool**

- Concept Design Complete; Letter of Intent Submitted; Justification and Cost Estimates in Development

➤ **Whitmire Activity Center**

- Concept Design Complete; Letter of Intent Submitted; Justification and Cost Estimates in Development

Public Assistance Program and Policy Guide (PAPPG): The PA program allows for simplified procedures on small projects to reduce the administrative burden on applicants and expedite the delivery of recovery funding. This means applicants may provide summary documentation and self-certify project eligibility.

- ~21 Small Projects Identified, Reviewed, and Submitted
 - Hung up on technical issue with grants portal

[illegible]

Other Projects

➤ City Hall

- Roof and Water Damage
- Insurance Proceeds for Some of the Damage
- Project Close to Bid

➤ City Ops

- Flood Damage
- Insurance Proceeds for Some of the Damage
- Project Complete > Submission of Final Costs to FEMA

➤ Reservoirs & Intakes (French Broad, Mills River, North Fork, and Bradley)

- Flood Damage
- Insurance Proceeds for Some of the Damage
- Projects in Various Stages of Development



Focus Area: Public Services

- ISO 1 – Fire Department
- CALEA Accredited Police Department
 - Police Chief – IACP 3rd VP
 - 2 officers attend FBI National Academy in 2025
- Solid Waste Program Evaluation
- Future Projects
 - Customer Service Initiative (Service Excellence) Refresh
 - Development/Infrastructure Review Process Analysis
 - Solid Waste Improvements



Focus Area: Sound Infrastructure

- French Broad River Intake – 30 MGD
- Water Treatment Plant Expansion – 15 MGD
- Floodplain Restoration Projects
- Ashe Street/4th Avenue Water and Sewer Replacement Projects
- 7th Avenue Revitalization Project





Item A.

Focus Area: Sound Infrastructure

- Future Projects
 - WWTB Revitalization/Expansion
 - Mud Creek Sewer Interceptor Replacement
 - Brookside Camp Water Line
 - East Side Water Line
 - Stormwater Repairs/ Improvements
- **Transportation GO BOND Projects (if approved)**





Item A.

City of Hendersonville

GO Bond Referendum
for Transportation

MARCH 3, 2026



PSA

Municipalities, counties, and other local governments **cannot spend taxpayer money to explicitly endorse a "yes" or "no" vote** on a bond referendum.

Permissible actions for local governments include:

- Hosting public meetings to explain a bond proposal.
- Producing informational packets or videos outlining the proposed projects and the estimated cost.
- Creating a website with frequently asked questions and project details.



Core Values Guiding Our Transportation Bond



1. Prioritizing Pavement Condition for Long-Term Value
2. Strategic and Transparent Use of Funds
3. Timely Delivery with Measurable Impact
4. Equal Access and ADA Compliance
5. Balanced Investment Across the Network
6. Advancing Complete Streets and Walk Hendo Goals

How to allocate the funds?

- **Tier 2**
 - Replaces ~25% of Non-compliant Curb Ramps
- **Tier 3**
 - \$750k per Year to Safety & Network Improvements

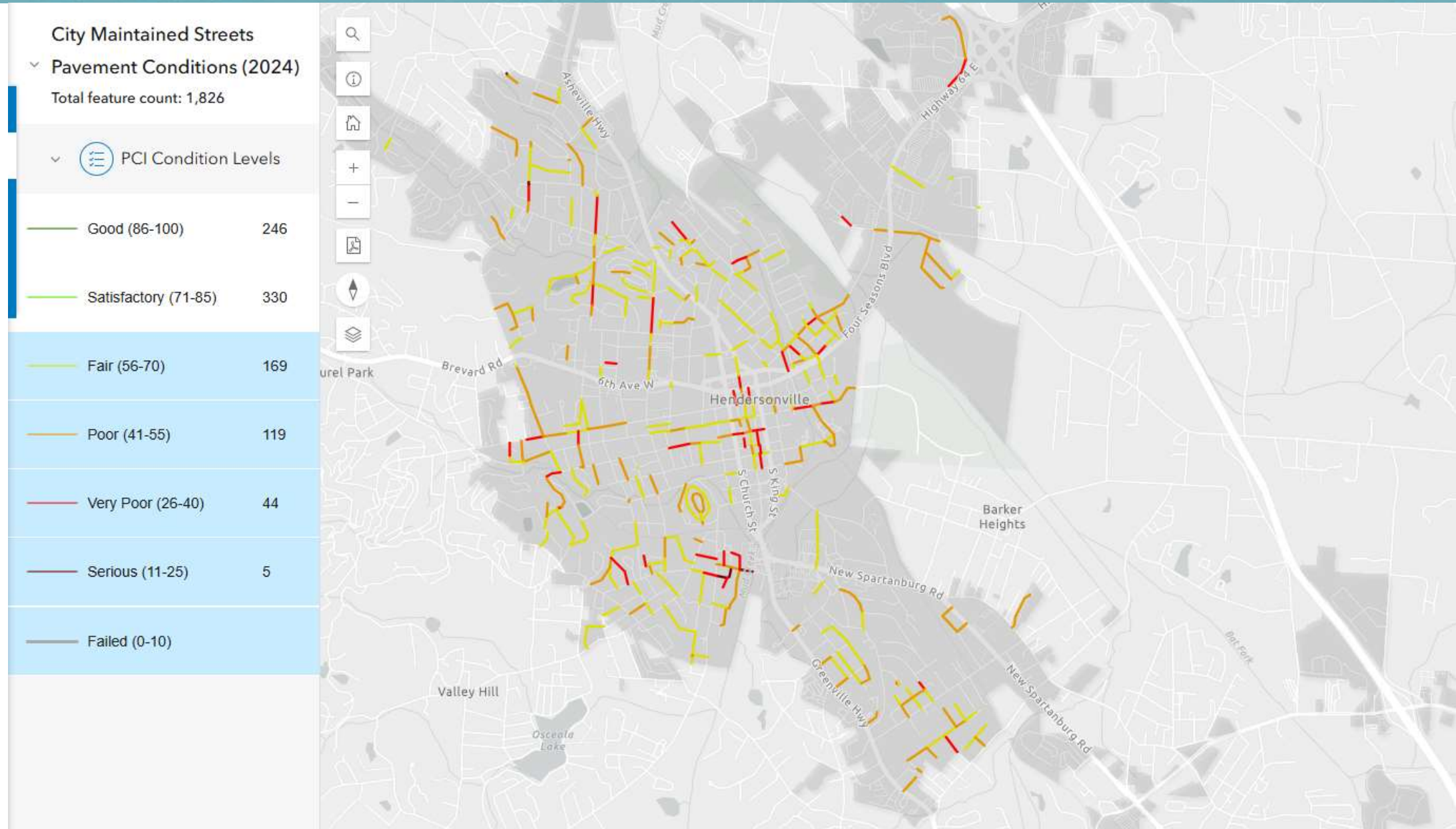
City Maintained Streets
Pavement Conditions (2024)
 Total feature count: 1,826

PCI Condition Levels

Condition Level	Count
Good (86-100)	246
Satisfactory (71-85)	330
Fair (56-70)	169
Poor (41-55)	119
Very Poor (26-40)	44
Serious (11-25)	5
Failed (0-10)	0

IMPLEMENTATION STRATEGY

Item A.



Focus Area: Numerous Amenities

- Laura Corn Mini-Golf
- Ecusta Trail
- Future Projects
 - Patton Park/Pool Repairs
 - Whitmire Center Repairs
 - Greenway Projects (Clear Creek Greenway and Above the Mud)



Focus Area: Strong Partnerships



Focus Area: Economic Vitality

- Garrison Industrial Park
 - Jabil \$150mil +/-
- McMurray Road Commercial Center
 - Speculative Buildings/Warehouse
 - Borg Werner Expansion \$75 mil +/-
- Retail/Commercial Expansion
 - Blue Ridge Mall
 - Gas "Super" Centers (QT, Spinx and Sheetz)



Focus Area: Economic Vitality

- Strategic Housing Plan
 - Zoning Ordinance Amendments
 - Housing Trust Property Purchase
- Since 2019 – 4,401 Units Approved (entitled)
 - 813 – Complete
 - 1,479 – Under Construction
 - 363 – Final Site Plan Submitted
 - 600 – Awaiting Final Site Plan
 - 787 – Inactive
- 359 – Withdrawn or denied



Focus Area: Financial Sustainability

- Environmental Sustainability Strategic Plan
 - Energy Efficient Vehicles (Electric/Hybrid)
 - Energy Efficient Motors / Electrical Equipment
 - Utilization of Solar Energy
- Multi-Year Capital Improvement Program
- Multi-Year Financial Modeling
- Vehicle Replacement Program



Assessed Tax Base Value

- FY 22 - \$2.2 bil
 - FY 23 - \$2.3 bil
 - FY 24 - \$3.0 bil (Revaluation)
 - FY 25 - \$3.3 bil
 - FY 26 - \$3.4 bil (estimate)
-
- Source - www.hvlnc.gov/budget



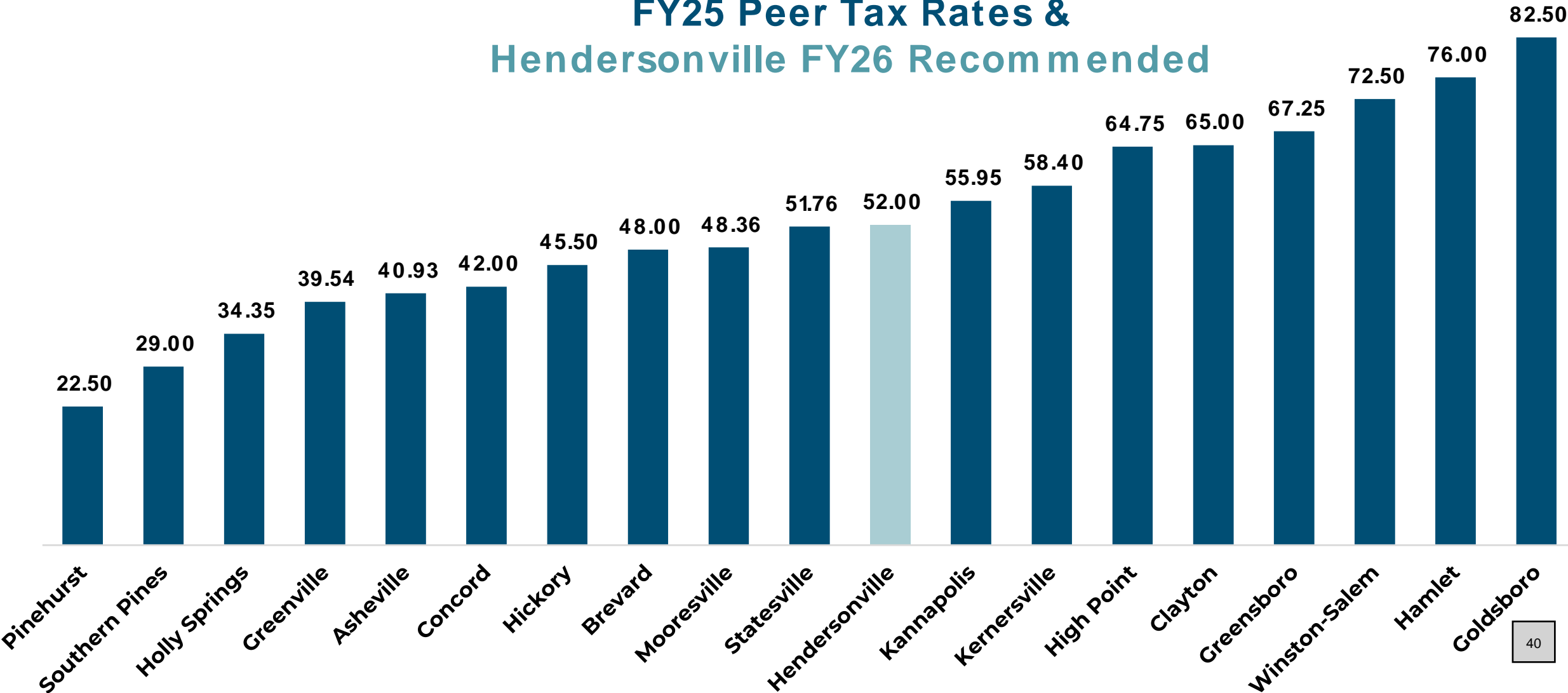
Tax Rate

- FY 22 – \$0.52 per \$100
 - FY 23 – \$0.52 per \$100
 - FY 24 – \$0.49 per \$100
 - FY 25 – \$0.52 per \$100
 - FY 26 – \$0.52 per \$100
-
- Source: www.hvlnc.gov/budget



Setting the Tax Rate: Avg. = \$0.5244

FY25 Peer Tax Rates &
Hendersonville FY26 Recommended

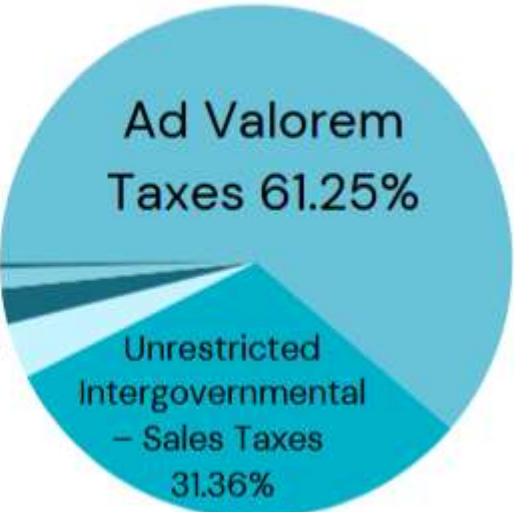


TOTAL RECOMMENDED BUDGET: \$68,623,860

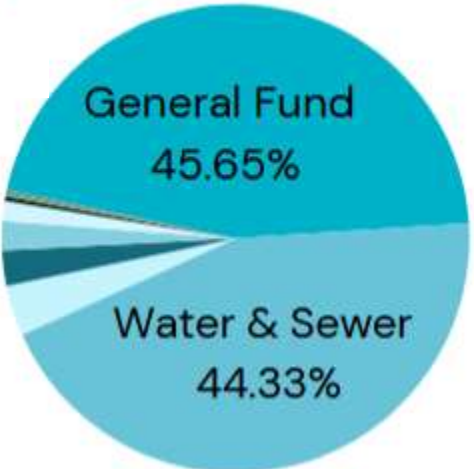
WHERE IS THE MONEY COMING FROM?

GENERAL FUND

- Restricted Intergovernmental 3.45%
- Permits & Fees 2.28%
- Sales & Services 1.25%
- Investment Earnings 0.36%
- Other taxes & Licenses 0.03%
- Miscellaneous 0.02%



WHERE IS THE MONEY GOING?



- Environmental Services 3.49%
- Stormwater 2.44%
- Parking 2.00%
- Main St. MSD 1.37%
- 7th Ave MSD 0.31%
- Stormwater Capital Reserve 0.22%
- Water & Sewer Capital Reserve 0.15%
- Governmental Special Revenue 0.05%

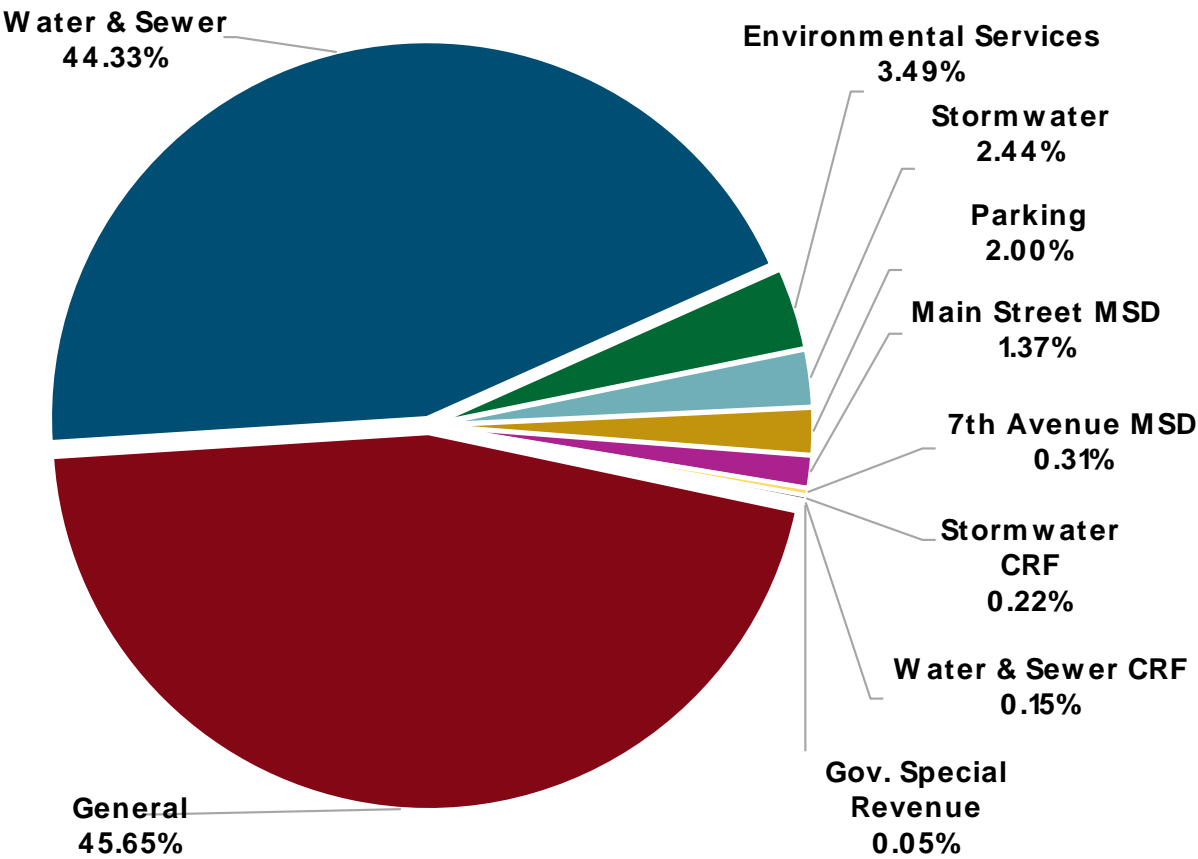
BUDGET IN TOTAL

Item A.

FY26 MAJOR FUNDS SUMMARY

FUND	EXPENDITURES	REVENUES	FUND BALANCE APPROPRIATION
General	\$ 31,326,611	\$ 28,194,046	\$ 3,132,565
Water & Sewer	30,421,154	28,264,260	2,156,894
Environmental Services	2,394,000	2,394,000	-
Storm water	1,676,050	1,676,050	-
Parking	1,371,224	1,371,224	-
Main Street MSD	940,854	785,834	155,020
7th Avenue MSD	212,967	148,201	64,766
Storm water CRF	150,000	150,000	-
Water & Sewer CRF	100,000	100,000	-
Gov. Special Revenue	31,000	-	31,000
SUB-TOTAL	\$ 68,623,860	\$ 63,083,615	\$ 5,540,245

TOTAL IN BALANCE \$68,623,860



Revenues

	Total	Per Year (for 5 years)
Total Budget	14,500,000	2,900,000
Debt Proceeds	10,000,000	2,000,000
Annual Revenues	4,500,000	900,000

Model Impacts

Revenue Requirements and Sources						Financial Sustainability Scorecard		
						25%		
FY	Tax Rate	Revenue Neutral Rate	Value of a Penny	Natural Growth Rate / Reval	Growth Rate Development	Available FB (Ass. + Unass.)	Available FB as a % of Expenditures	Amount Above (Under) Policy
2020	49.00	41.81	214,263	18.00%	0.00%	5,949,067	36.7%	1,826,836
2021	49.00	49.00	218,956	2.39%	0.00%	3,460,866	20.0%	(718,214)
2022	52.00	52.00	221,658	1.34%	0.00%	5,777,008	30.1%	981,559
2023	52.00	52.00	230,781	4.11%	0.00%	7,353,518	30.7%	1,371,566
2024	49.00	40.43	302,187	23.00%	0.00%	6,159,237	23.8%	(306,981)
2025	52.00	52.00	328,020	7.22%	0.00%	7,336,091	26.7%	463,267
2026	52.00	52.00	337,765	2.97%	0.00%	7,828,221	27.1%	594,211
2027	52.00	52.00	341,143	1.00%	7.61%	7,745,031	25.9%	272,756
2028	50.00	44.24	403,324	16.00%	3.23%	8,025,630	25.3%	100,836
2029	50.00	50.00	429,471	3.25%	4.24%	9,221,111	28.1%	1,026,960
2030	50.00	50.00	460,586	3.00%	1.02%	9,278,267	26.3%	470,874

Debt Service

8			
Series 2027 - G.O. Bond Transportation			
Principal	Interest	Debt Service	Balance
10,000,000	4,725,000	14,725,000	
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	10,000,000
500,000	450,000	950,000	9,500,000
500,000	427,500	927,500	9,000,000
500,000	405,000	905,000	8,500,000
500,000	382,500	882,500	8,000,000
500,000	360,000	860,000	7,500,000
500,000	337,500	837,500	7,000,000
500,000	315,000	815,000	6,500,000
500,000	292,500	792,500	6,000,000
500,000	270,000	770,000	5,500,000
500,000	247,500	747,500	5,000,000
500,000	225,000	725,000	4,500,000
500,000	202,500	702,500	4,000,000
500,000	180,000	680,000	3,500,000
500,000	157,500	657,500	3,000,000
500,000	135,000	635,000	2,500,000
500,000	112,500	612,500	2,000,000
500,000	90,000	590,000	1,500,000
500,000	67,500	567,500	1,000,000
500,000	45,000	545,000	500,000
500,000	22,500	522,500	

Questions ?



Development Opportunity for Downtown Hotel

Request for Proposals (RFP)



Dogwood Parking Lot Site

December 15, 2025

Request for Proposals – Table of Contents

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About This Solicitation

The City of Hendersonville, NC ("City") is seeking proposal statements from experienced development teams to present conceptual plans for the redevelopment of the Dogwood Parking Lot site, described in this RFP. The site consists of three City owned parcels that are located adjacent to the City's vibrant Main Street Municipal Service District. The City is seeking a developer that can successfully build a hotel on the existing properties while aligning design and aesthetics with the existing downtown fabric. This RFP will consist of a review period and a recommendation for endorsement presented to Hendersonville's City Council. While an endorsement by Council is not final approval, it will trigger an exclusive period of negotiation between the City and their selected partner for a development agreement for the project.

The Opportunity

The Dogwood Parking Lot is an existing surface lot abutting a vibrant and heavily trafficked portion of the City's downtown corridor. The City of Hendersonville is a thriving, regional tourism destination, but the absence of a full-service downtown hotel and event product is limiting the City's ability to absorb the growing demand. The City Council has identified this project as critical to the continued success of its local tourism market.

The parcels outlined in red below make up the approximate 1.50 acre existing surface parking lot, identified as the Dogwood Parking Lot.



The lot is located between N. Church St. (East), 5th Avenue West (North), N. Washington St. (West), and 4th Avenue West (South). The lots are prime for development and have a gradual grade running from the northwest end of the lot down to the southeast end.

Substantial work has been done to this point in identifying the opportunity, including and not limited to:

Site Planning

Identified site constraints and established the highest and best use of the site as it relates to community interests. Massing and site test fits (Attachment A) have been done to determine the size and scope of potential development on the property.

Public Engagement

Engaged with stakeholders to learn more about their vision for downtown, and are prepared to support and incorporate this vision into the final development of the lot. Recently the Gen H Comprehensive Plan, was adopted with a specific [Downtown Master Plan](#), the Community Development Plan for this area, on August 1st, 2024.

With current demand for a downtown hotel product, the City of Hendersonville is prepared to engage in a public-private partnership to facilitate the successful development of the Dogwood Parking Lot for a hotel.

About Hendersonville

Hendersonville, NC is located 20 miles south of the City of Asheville in a valley at the edge of the Blue Ridge Mountains. The Asheville Regional Airport is within 20 minutes of downtown Hendersonville, accessible via I26, with direct daily flights to Atlanta, Chicago, Newark and multiple Florida destinations.

Located within 20 miles of Pisgah National Forest and Dupont State Park, Hendersonville is a gateway to a variety of outdoor recreational activities. Visitors flock to the area for its natural resources and stay in the city for its vibrant, downtown retail and restaurant district. The district is listed on the National Register of Historic Places and features the iconic, serpentine Main Street with 16 blocks of specialty shops, art galleries, entertainment venues and casual to high-end restaurants. Recently, the first 6 miles of the future 19.4 mile Ecusta Trail was completed, with a trailhead at the Hendersonville Welcome Center on South Main Street.



Downtown hosts several events year-round that attract thousands of visitors from North Carolina and beyond. The tourism industry is supported by the Henderson County Tourism Development Authority (TDA) and Downtown Hendersonville's Main Street Program which is dedicated to supporting the district's entrepreneurial spirit and maintaining its historic character.

Market Overview

The City of Hendersonville is a well-established tourism destination experiencing strong year-over-year growth. Henderson County was ranked 14th in tourism expenditures behind North Carolina's major hospitality and convention counties such as Mecklenburg and Wake, homes to Charlotte and Raleigh, respectively. Tourism spending in the county, in 2024, increased 2.4% over 2023, and was the highest spending increase in the region. Only three of thirteen regional counties saw an increase in spending over 2023. Despite an unprecedented natural disaster during 2024, Henderson County's tourism remained strong and showed its high levels of resilience.

The market area extends through the Southeast; the top points of origin for overnight leisure visitors are Charlotte, NC; Atlanta, GA; Columbia, SC & Knoxville, TN. Visitors are typically older, upper middle-class, and well-educated couples, a demographic that is also driving the hospitality industry in nearby Asheville.

Visitors are increasingly drawn to Hendersonville for its various offerings. Pisgah National Forest and Dupont State Forest combined attract nearly five million visitors a year. The region has become a prime destination for craft beer enthusiasts, boasting 25+ craft breweries within a 20-mile radius. Sierra Nevada Brewing Co. alone welcomes tens of thousands of visitors a year to the Henderson County based brewery. The regional boom in food and drink tourism is driving year-round activity into downtown Hendersonville's culinary and brewery scene. Additionally, Downtown Hendersonville hosts several events throughout the year, including the North Carolina Apple Festival, which draws over 275,000 visitors over Labor Day weekend annually.



The growth in visitation to the area and spending is occurring despite limited options for accommodation. Most hotel developments are more than 2.5 miles outside of downtown. Despite growing demand, there is currently no option for a high-quality, full-service hotel located within a mile of downtown, limiting Hendersonville's ability to compete with the new higher-end products coming online in Asheville. The Henderson County Tourism Development Authority (TDA) receives frequent inquiries about a downtown lodging option.

Additionally, current event or meeting venues in downtown Hendersonville are limited to 100 guests or fewer due to lack of large indoor meetings or event space. In 2010, the City of Hendersonville commissioned a feasibility study for a new convention center which concluded that due to the City's proximity to large population centers and transportation hubs, and its diversity of tourism activities, it could successfully attract business for a small to mid-sized convention center. The study indicated, however, that without additional full-service hotel rooms, such an event and convention industry could not be sustained. Currently, Fairmont Heritage Place, The Cedars, is under construction and plans to include event space. This will drive the need for additional hotel rooms near this new, needed amenity.

Overall, the City's infrastructure and strong partnerships allow for a thriving tourism industry, as evidenced by the high occupancy rates and lodging revenue growth. The downtown economic vitality is supported by the City's investment in amenities including public restrooms, parking, and a pedestrian-focused atmosphere that has made Hendersonville a respected national model in downtown revitalization.

Concept for a Public-Private Partnership

The City envisions a partnership with a successful hotel developer to bring a boutique style hotel to the existing Dogwood Parking Lot. The City is willing to facilitate this partnership by selling the lot, which has a market (appraised) value of \$4,335,000, identified in a 2025 appraisal (attachment B). The City intends to use proceeds of the sale to provide an investment in streetscape improvements, parking replacement, and other infrastructure enhancements. Additionally, the City will consider expanding its municipal service district to heighten service levels in and around the property to include enhanced public safety patrols, landscaping and maintenance crews, hanging baskets, decorative lights, and other amenities. Lastly, the public private partnership model allows the City to negotiate variances related to its zoning ordinance with the developer. In partnership, the City is seeking a private hotel development to include but not be limited to:

- A room count of 80 to 120,
- A mixed-use ground level space for retail, small event spaces, and the like, and
- Design features that mold with the existing community aesthetic.

A successful proposal will include hotel renderings and site test fits, a plan for projected hotel parking needs (requests for parking access in the City's parking deck should be specifically noted and detailed), a preliminary pro-forma detailing expected returns, sources, and uses (total private investment), and expectations for the City's contribution in the project.

Additional public participation options may be considered should proposals prove their necessity for a successful project.

Submission of Proposals

Developers shall organize their proposals in the format described below. Please submit the requested information in appropriate detail to allow adequate review and evaluation of qualifications and plans. Any information that a respondent requests remain confidential should be sent under a separate cover (see below Submission Procedure).

1. Letter of Introduction

Include a summary of the respondent's basic qualifications, experience, and reasons for interest in this opportunity. The letter should be signed by a principal or authorized officer for the entity.

2. Program Proposal

Provide a detailed hotel description. Include design schematics and illustrative sketches, development assumptions, and financial assumptions.

- Hotel (number of keys, total gross square footage, amenity package, event space square footage, etc...)
- Commercial (total gross square footage, intended use by square footage)
- Parking requirements
- Overall site design showing how the existing lot will be used
- Site acquisition price
- Detailed development budget
- Expected amounts and sources of debt and equity
- Expected average daily rate, occupancy rate, venue rental fee and commercial rents

3. *Development Team*

Identify the following information regarding the development team.

- Identification of up to three partner firms and roles, including co-developers, architects/designers, and general contractors
- Overview for each firm on the team, including brief history of firm, past experience working with the developer, and relationship of the firm's parent company with the office responsible for this project, if applicable
- Identification and resumes of lead staff (principals and project managers) that will be responsible for negotiating a development agreement with the City and completing the remainder of the pre-construction approval process

4. *Management Team*

Include summary information regarding the proposed management team for the operations of the hotel.

- Identification of hotel management partner or franchise
- Overview of the management partner(s) including brief history and hotel portfolio, and experience working with the developer
- Identification and resumes of lead staff

5. *Experience & References*

Provide relevant development experience, particularly in developing hotel projects. Provide information on at least three, and no more than five projects. Each comparable development should detail the following information.

- Location and name of project
- Name of hotel management partner
- Photos/illustrations of completed project
- Point of contact for project references
- Contact information for a representative of the primary public agency partner in a project, if applicable

6. *Disclosures*

Please disclose any pertinent information.

- Disclosure of any potential conflicts of interest that could be relevant to this project in any manner
- Disclosure of whether the developer or any officer, director, or owner thereof has had judgments entered against him or her within the past 10 years for the breach of contracts for governmental or nongovernmental construction or development
- Disclosure of whether the developer has been in substantial noncompliance with the terms and conditions of prior construction contracts with a public body
- Disclosure of whether any officer, director, owner, project manager, procurement manager, or chief financial official thereof has been convicted within the past 10 years of a crime related to financial fraud or to governmental or nongovernmental construction or contracting
- Disclosure of whether any officer, director, or owner is currently debarred pursuant to an established debarment procedure from bidding or contracting by any public body, agency of another state, or agency of the federal government

Evaluation Criteria

The evaluation of developers responding to this solicitation will be undertaken to select a partner and plan that is viable, will best serve public interests, and can be completed in a reasonable time frame.

The following evaluation criteria will be used to make that selection:

- Qualifications and experience of the development team
- Experience of the hotel management partner, with preference given for downtown and boutique hotel experience
- Quality of the proposed building design and its fit with the surrounding downtown fabric
- Demonstrated ability to secure funding to execute a project of similar scale and complexity in a reasonable timeframe
- List of active development projects and demonstration of current capacity

Submission Procedure

Development Partner proposals are due at 5:00 p.m. EDT on February 15, 2026. Proposals should be submitted electronically in PDF format to bpahle@hvlnc.gov.

Proposals must be prepared in conformance with the guidelines described under “Submission of Proposals”. The email subject must be “Development Partner Proposal: Dogwood Parking Lot Site, Hendersonville, NC”.

All responses are subject to public disclosure under the North Carolina Public Records Law. The City recognizes that respondents must submit information that it may deem confidential and proprietary in order to comply with the requirements of this solicitation.

Notwithstanding anything herein to the contrary, the parties acknowledge that the Client is subject to certain public records disclosure requirements under N.C.G.S. Chapter 132 and nothing contained in this agreement shall be construed to obligate the Client not to comply with such laws. In this respect, the Client acknowledges the content of N.C.G.S. § 132-1.1 and acknowledges its responsibility thereunder with respect to confidential information it wishes to protect.

Please note: this RFP is authorized by both NCGS § 158-7.1 and NCGS § 160D-1315. In considering and evaluating proposals, and negotiating with prospective development partners, the City reserves the right to proceed under either statute, according to the best interest of the City.

For information concerning the procedure for responding to this solicitation, please e-mail:

Brian Pahle, Deputy City Manager, at bpahle@hvlnc.gov, and

Lew Holloway, Community Development Director, at lholloway@hvlnc.gov.

Selection Process

The City will review all responses, contact references, and coordinate interviews as necessary. After a review of submitted proposals, clarifications may be requested. Unless requested by the City, no additional information may be submitted by developers after the February 15, 2026 deadline. The City Staff will enter discussions with the developers having the most viable proposals before finalizing its recommendation of a partner to the Hendersonville City Council.

The next steps in the timeline for this development project are estimated as follows. The City reserves the right to extend or otherwise modify the following schedule:

- | | |
|--|-----------------------------------|
| • RFP Release Date | December 15, 2025 |
| • Proposal Submittal Deadline | February 15, 2026 @ 5:00 PM (EDT) |
| • Staff Review Begins | February 16, 2026 |
| • Recommendation and City Council Approval | To Be Decided (TBD) |

Upon an endorsement by Council, staff will enter into an exclusive period of negotiations between the City and their selected partner for a development agreement for the project. In these negotiations, the developer may be required to provide evidence of sufficient financial strength to undertake and successfully complete a project of this scale.

Disclaimers

All facts and opinions stated in this solicitation are based on available information and are believed to be accurate. Nevertheless, neither the City of Hendersonville, nor any of their officers, agents, or employees, shall be responsible for the accuracy of any information provided to any respondent as part of this solicitation or vetting process. All respondents are encouraged to independently verify the accuracy of any information provided. The use of any of this information in the preparation of a response to this request is at the sole risk of the respondent.

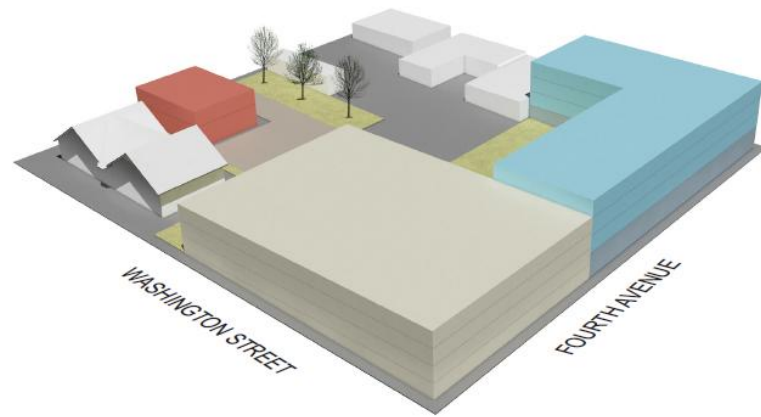
Those submitting responses to this solicitation assume all financial costs and risks associated with the submission. No reimbursement or remuneration will be made by the City to cover the costs of any submittal, whether or not such submittal is selected or utilized.

The City reserves the right to reject any or all submittals at its sole and absolute discretion and accepts no responsibility for any financial loss by such action.

Any agreements that may be entered into between the developer(s) and the City, including but not limited to a Development Agreement, are subject to approval by the City Council.

The City reserves the right to waive irregularities or informalities in any submittal in the exercise of its sole and absolute discretion.

The City of Hendersonville is an equal opportunity employer.



+/- 93 TOTAL UNITS
 +/- 160 PUBLIC PARKING SPACES
 +/- 110 HOTEL PARKING SPACES



DOGWOOD SITE - CAPACITY DIAGRAM [OPTION 1]

HENDERSONVILLE HOTEL STUDY
 07.25.2016

SAMSEL ARCHITECTS

[APPRAISAL BEGINS ON NEXT PAGE]

A RESTRICTED APPRAISAL REPORT

of

Three Adjacent Parcels of Land *(Known Collectively as the Dogwood Parking Lot)*

Located at

201-299 4th Avenue West, Hendersonville, North Carolina 28792



As of

November 24, 2025

Prepared For:

Mr. Brian D. Pahle, Deputy City Manager
City of Hendersonville, NC
160 Sixth Avenue East,
Hendersonville, North Carolina 28792

Prepared By

John C. Palmer, MAI, AI-GRS, CCIM, CDA
and

Jacob Q. Palmer, Registered Trainee

THE PALMER COMPANY, INC.

COMMERCIAL REAL ESTATE APPRAISERS AND CONSULTANTS

221 S. PLAINS DRIVE

ASHEVILLE, NORTH CAROLINA 28803

PHONE: 828-280-4520

EMAIL: JPALMER@PALMERCOMPANYINC.COM

Palmer Company File #: 25-1866

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COMMERCIAL REAL ESTATE APPRAISERS AND CONSULTANTS

221 S. Plains Drive
Asheville, North Carolina 28803

Phone: 828-280-4520
Email: JPalmer@palmercompanyinc.com

December 2, 2025

Mr. Brian D. Pahle, Deputy City Manager
City of Hendersonville, NC
160 Sixth Avenue East,
Hendersonville, North Carolina 28792

Re: Appraisal of Three Adjacent Parcels of Land, located at 201-299 4th Avenue West, Hendersonville, North Carolina 28792

Palmer Company File #: 25-1866

Dear Mr. Pahle:

At your request, we have prepared this appraisal report according to the Letter of Engagement.

This report is a Restricted Appraisal Report prepared in accordance with Standards Rule 2-2 (b) of the *Uniform Standards of Professional Appraisal Practice (USPAP)*. As such, it does not present detailed discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value.

Supporting documentation concerning the data, reasoning, analyses, and additional information is contained in our project work file. The use of this report is restricted to the client and intended users only.

The Client is identified as the City of Hendersonville.

The Intended Use of this appraisal report is to assist the client in establishing a fair market value of the subject property. The objective of this assignment is to develop an opinion of the market value of the fee simple interest in the subject property. This report is not intended for any other use.

The Intended User of this appraisal report is the City of Hendersonville. This report is not intended for use by other parties.

The effective date of value of this appraisal report is November 24, 2025.

We viewed the subject property on November 24, 2025 in order to gather information about the physical characteristics of the subject improvements that are relevant to the valuation problem and to evaluate general trends in the neighborhood.

The subject property is identified as three adjacent parcels of land totaling approximately 1.46 acres (per Public Records), collectively known as the Dogwood Parking Lot. The subject property is improved as a municipal paid parking lot with asphalt drives and marked parking spaces, landscaping, and associated infrastructure. A brief summary description of the subject property is contained in the following report.

The identified street address of the subject property is 201-299 4th Avenue West, Hendersonville, North Carolina. The subject property site was frontage and access points on four streets; 5th Ave W, N Church St, 4th Ave W, and N. Washington St. The subject property is located in a good location within the City of Hendersonville CBD. The Henderson County Tax Assessor identifies the subject property as PIN #'s 9568-78-4147, 9568-78-2188 and 9568-78-3304.

It is our opinion, based on data obtained from sales transactions and interviews with market participants, that the probable Exposure Time for the property at the concluded market value is estimated to be approximately less than twelve months.

Based on the data and analyses developed in this appraisal, in our professional judgment, the estimated market value of the subject property, as of November 24, 2025, the effective date of value, subject to all Extraordinary

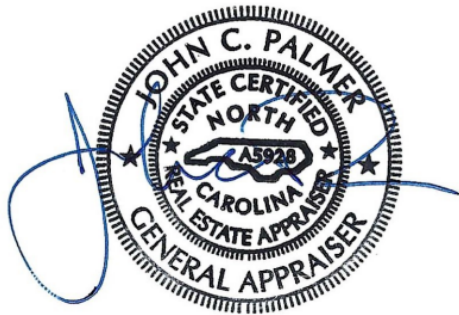
Assumptions, Hypothetical Conditions, and General Assumptions and Limiting Conditions specifically provided within this report, was:

Estimated Market Value of the Subject Property Site:	\$4,160,000
Estimated Contributory Value of the Site Improvements:	<u>\$ 175,000</u>
Total Estimated Value of the Subject Property Site:	\$4,335,000
<i>(Estimated Market Value of the Fee Simple Interest)</i>	

This letter must remain attached to the appraisal report, which contains 54 pages plus related exhibits, in order for the value opinion to be valid.

It was a pleasure preparing this appraisal for you. Please do not hesitate to contact us if we may be of further assistance in the interpretation and application of the findings and opinions.

Respectfully submitted,
The Palmer Company, Inc.



John C. Palmer, MAI, AI-GRS, CCIM, CDA
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