

The City Manager reported the Finance Director is evaluating whether it will be more financially advantageous to use fund balance or finance the project and will continue to monitor the financial situation.

Council Member Caraker moved to authorize the city engineer to award the contract for the construction of the Main Street Infrastructure improvements, Phase I Project to Trace and Company, Inc. the lowest responsive and responsible bidder, in the amount of \$199,970.80 as presented and recommended by staff. A unanimous vote of the Council followed. Motion carried.

City Manager Ferguson reported work will begin next month. Mayor Volk stated merchants want to know what is going on and asked that the work be done as quickly as possible.

13. Discussion of Next Steps for Upward Road Planning: City Manager Ferguson discussed options that may be available for planning of the Upward Road area following the Henderson County Board of Commissioners' refusal to allow the City to expand the extraterritorial jurisdiction in that area. He presented options the City may consider:

- 1) conditioning sewer and/or water extensions on voluntary compliance with the City's plans for quality land development,
- 2) influencing Henderson County land use decisions by adopting a resolution urging Henderson County to enact certain regulations and providing input to various processes as the corridor develops, and
- 3) adopt a new zoning district: the Commercial Highway Mixed use Zoning District which may be applied to those properties that are annexed and which may be applicable in other areas of the City.

Mr. Ferguson asked for Council's direction. Council Member Caraker voiced support of those property owners requesting certain utility service complying with zoning regulations. Council Member Freeman agreed and also voiced support of the developing the new zoning district. Council Member Smith also supported a policy that those requesting sewer service would have to meet zoning requirements of the City and to develop the zoning district. Mayor Pro Tem Collis stated larger developments will have to have water and sewer service and this will not be a hardship for those large developments. He also supported the concept of the CHMU zoning district. He agreed that zoning regulations should apply to those requesting utilities. Mayor Volk agreed.

The Council discussed the possibility of applying the CHMU to the U.S. Highway 25 North area if appropriate. There was discussion about the redevelopment of property with the same owner/different owner that already has water service. The City Manager will research that further. He explained requests will be brought to the Council individually and decisions are guided by the policy. He stated the Council could apply exceptions to the policy.

There was discussion on projects that are developed under Henderson County's requirements which makes it more difficult for property owners who need to request sewer service.

City Manager Ferguson stated staff will continue to participate in the Dana small area plan.

After discussion, the City Council agreed by majority consensus to direct the staff and the Planning Board to continue developing the Commercial Highway Mixed Use (CHMU) zoning district classification in compliance with the Henderson County Land Development Plan and to examine the utility extension agreement and make provisions for property owners requesting sewer service to meet the City's requirements for that area.

14. Consideration of NC Community Conservation Assistance Program (NC DENR Grant): Mr. Tom Wooten, Public Works Director, reported severe erosion was experienced at Patton Park during Hurricane Frances. He stated repairs were made but more is needed to prevent the problem from occurring again. He reported no funding has been available through the State so the plan approved by the City Council in July 2008 for a riparian buffer is idle. He reported there is funding available now through the Community Conservation Assistance Program that will pay up to 75% of the cost to install a natural riparian buffer and other water quality improvement projects. He reported the City has received funding for the following projects:

- A. Install a natural riparian buffer along the creek within Patton Park using native trees and shrubs for \$4,875 (City's cost: \$1,218.75)
- B. Purchase and install a pet waste station along the Oklawaha Greenway Trail for \$350 (City's cost: \$87.50)