

**TOWN OF SEVEN DEVILS**  
**Special Call Meeting**  
**Public Hearing**  
**Tuesday, April 30, 2019**  
**5:30pm**

The Town Council of Seven Devils met for a Special Call Meeting on Tuesday, April 30, 2019 at 5:30pm at Town Hall. The purpose of the Special Call meeting is to hold a Public Hearing with Public comment on the proposed Contract to Purchase and finance real property located at 157 Seven Devils Road, Seven Devils, NC 28604 – PIN# 1878-33-8610-000, pursuant to NC General Statute 160A-20(a)(g).

Present were Mayor Larry Fontaine, Mayor Pro Tem Brad Lambert, Members Tina Bailey, Kay Ehlinger and David Ehmig. Also present were, Town Attorney Rob Angle, Town Manager Debbie Powers; the minutes were recorded by Town Clerk Hillary Gropp.

**CALL TO ORDER**

Mayor Fontaine called the Special Meeting to order at 5:32pm.

**PLEDGE OF ALLEGIANCE**

Council members and citizens recited the Pledge of Allegiance.

**OPEN PUBLIC HEARING**

Mayor Fontaine explained the rules of a Public Hearing, asking Citizens who want to comment to sign up at the podium. Each speaker will have 3 minutes for comment and the Town Clerk controls the timer.

Mayor Fontaine asked for a motion to open the Public Hearing. Mayor Pro Tem Lambert made a motion to open the Public Hearing; Member Ehlinger seconded the motion; the members agreed unanimously.

**A. Compliance with Legal Notice Requirements** - Town Clerk Gropp reported Compliance with Legal Notice Requirements were met for the Special Call meeting with posting notice at the Town Hall Boardroom, the Town’s website and email to the Town Council and Sunshine List on April 16, 2019.

The Public Hearing Notice was published in the Watauga Democrat on Sunday, April 14, 2019 and signs were displayed within the Town, including outside Town Hall.

**B. Presentation**

Mayor Fontaine gave a presentation highlighting the “timeline” of the Town Council’s actions, beginning in February 2016 with initial discussion to acquire the Skyline Building. With the Skyline Building only available for lease, and not sale, the Town redirected the focus with saving \$50,000 per year towards building a new Town Hall. To

date, \$150,000 has been placed aside, with another \$50,000 in FY20. In March 2019, Skyline Telephone contacted the Town of Seven Devils with an update, the Skyline Building is now available for purchase. Town Council consider the options, and because money has not spent on architectural drawings for a newly constructed Town Hall, it was decided unanimously by Council to form a "Steering Committee" to enter into negotiations with an agreed upon price range to purchase the Skyline Building. Meanwhile, Town Attorney Rob Angle who represents the interest of the Town as a licensed RE Broker, Manager Powers, the Town Attorney Rob Angle and the Steering Committee have had telephone conference calls with the Local Government Commission (LGC) to learn about the steps required for such purchase and finance. Today's Public Hearing is one such step in the process.

Key points discussed for the Public Hearing:

**Background** – The current Town Hall is 50+ years old and built as a summer sales office for real estate; it is in need of major repair and not built to current building standards as a commercial building or for needs of a Town Hall facility for records storage, security and necessary office/boardroom space. By building on adjacent land decreases the available parking and limits the requirements of the size building that can be built. Additionally, the estimated costs to build a 5000 sq. Ft. commercial building are approximately \$230 per sq. Ft., not allowing for future inflation and the unknowns that might occur with a specific set of drawings. The building has architectural design features that complement the beauty of the mountain region. The Skyline Building is turn key ready as a new Town Hall.

**Benefits** – The location of the Skyline Building is situated at Seven Devils Road and Hwy 105, the gateway to the Town limits with premier visibility for tourists and citizens. The building has 7.34 acres and allows for future use of possible recreational trails or parks. This building is already built to the standards of an updated commercial building and is good, well maintained condition. The negotiated purchase price for the Skyline Building is below the cost estimates of what a newly constructed, smaller and simpler building, minus the land cost. Building a new building is time consuming, with many unknown considerations and groundbreaking would not occur until FY21.

**Financing** –

The LGC overviews all Annual Financial Audits for all NC Municipalities and Counties. The LGC considers the Town of Seven Devils to be in "Excellent Financial Condition" and well under the statutory limit of borrowed funds.

The Town has reviewed the financing options for governmental lending with various banks. The interest rates ranged from 3.11% - 4%, included non-applicable origination fees ranging from \$5,900-\$15,000 and required annual payments, not monthly.

The Skyline Company has agreed to Seller Finance for a lower interest rate than a bank quote, for a term of 10 years and monthly payments.

Because the Town has already allotted funds in the CIP towards a new Town Hall, this money will be used to cover the payments. The Town has a current BAB loan that will be

paid in full in December 2020 with the new payment for the Skyline Building, replacing the retiring payment for the BAB loan.

Taxes will not be raised as a result of the purchase of the Skyline Building for a new Town Hall facility.

### **C. Public Comments**

**Edward Lynch – 1267 Seven Devils Road** – Asked several questions of the Town Council, including the projected operation & utilities costs, and why the Skyline Company vacated the building. All questions were answered by Mayor Fontaine.

**Anne Fontaine – 127 W. Rocky Top Road** – Spoke as Chairperson of the Town's TDA; She stated the positive points of the increased visibility for the Town, the foresight of the Town Council by allotting funds for future planning of a Town Hall and the potential uses of the extra land with the purchase will help promote the Town and tourism. The TDA is fully supportive of this action.


### CLOSE PUBLIC HEARING

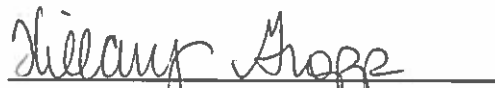
Mayor Pro Tem Lambert made a motion to close the Public Hearing; Member Ehlinger seconded the motion; the members agreed unanimously.

### ADJOURN

Member Ehlinger made a motion to adjourn; Member Bailey seconded the motion; the members agreed unanimously.

The Special Call meeting adjourned at 6:01pm.

  
Larry Fontaine, Mayor

  
Hillary Gropp, Town Clerk

