

**MINUTES – REGULAR MEETING
BOONE TOWN COUNCIL
August 23, 2023**

CALL TO ORDER

A regular meeting of the Boone Town Council was called to order at 6:00 p.m. at the Council Chambers located at 1500 Blowing Rock Road in Boone. Mayor Tim Futrelle presided. Council members present included Mayor Pro-Tem Edie Tugman, Councilmember Virginia Roseman, Councilmember Dalton George and Councilmember Becca Nenow. Councilmember Todd Carter attended virtually. Town staff present included Town Manager Amy Davis, Planning and Inspections Director Jane Shook, Director of Public Works Todd Moody, Downtown Development Coordinator Lane Moody (virtual), Police Chief Andy LeBeau, and Communications Specialist/Interim Grants Coordinator Laney Pilkington. Town Attorney Allison Meade was also in attendance.

Others in attendance include Dr. Eric Plaag and Mr. Zack Hill.

MOMENT OF SILENCE

ANNOUNCEMENTS

Mayor Futrelle began the meeting by apologizing for his conduct during the previous Town Council meeting. He then read a personal statement. Afterwards, Mayor Futrelle moved to announcements. With no announcements given, Mayor Futrelle moved to public comment.

PUBLIC COMMENT

Mayor Futrelle opened the public comment portion of the meeting. With no one in attendance who wanted to provide public comment, Mayor Futrelle moved to the council matters portion of the meeting.

COUNCIL MATTERS

**UNC SCHOOL OF GOVERNMENT DEVELOPMENT FINANCE INITIATIVE
DISCUSSION**

Mayor Futrelle asked Ms. Amy Davis to give a brief overview in regards to what Development Finance Initiative (DFI) was seeking from the Town. Ms. Davis explained that they are looking for a soft agreement for an extension of water and sewer services to the property owned by Watauga County. She went on to explain that they are looking for some sort of commitment for water and sewer extension, and what the parameters are for said commitment. Ms. Davis asked for Council to come to a consensus agreement on what they would like to do. Mayor Futrelle then asked Council to discuss. Ms. Meade noted that Council is limited on what they can do, as they cannot make a binding agreement for future Councils. Councilmember George explained that annexation is important, as even if the code is amended, those receiving water and sewer outside of the Town of Boone limits would be charged double rates. Conversation ensued in regards to the legality of carving out caveats for double rates, and it was found that it is not legal to do so. Mayor Pro-Tem Tugman noted that there are many issues that could arise when no information regarding who will be doing the building of the project is unknown. Mayor Pro-Tem Tugman then asked Ms. Jane Shook about the steep slope on the property of the proposed project. Ms. Shook explained that steep slope begins at a thirty percent grade, and that on the map a grade of thirty to fifty percent is shown in yellow. Anything above fifty percent is shown in red. Mayor Pro-Tem Tugman then echoed Councilmember George's sentiments in regards to double rates. Councilmember Carter noted that many of the questions asked by Councilmembers will not be answered until the builder for the project is selected. Questions such as will a not-for-profit organization or a for-profit organization run the project could not be answered. Councilmember Carter did voice strong support for the entirety of the project to be affordable housing, not just a portion of the project. Councilmember Roseman asked Mr. Todd Moody if water is currently accessible to the property, and an approximate price for the extension. Mr. Moody explained that after a quick in-house estimate was made, Council was looking at approximately \$2 million. However, he did note that this was not an exact number. Discussion ensued regarding the legality of one hundred percent affordable housing projects, and possible ways for water and sewer to be extended into the property through different roadways. Councilmember George reiterated his stance on annexation because of double rates incurred by the possible future residents, and stated that he feels like Ms. Odio from the previous Council meeting would

need to be involved in the conversation. Councilmember Roseman noted that she wanted the Town to be involved fully and have a seat at the table to have these discussions. Ms. Davis clarified and stated that Council was not making any financial commitments at the moment, and that they are under no obligations to pay for the entirety of water and sewer service extension. Councilmember George then discussed the idea of inclusionary zoning, in which further discussion was had. Councilmember Roseman then asked for the topic of inclusionary zoning be added to the next month's agenda as a topic of discussion. Mayor Futrelle then asked for the base level parameters were for a soft commitment. Mayor Pro-Tem Tugman asked Council for their willingness or unwillingness about making a soft commitment to provide water and sewer services to the property with no commitment to funding. Councilmember George explained that certain parameters are set in the Town code, and that if annexation is not achieved then there would be double rates charged to the possible future residents. Councilmember Roseman asked if certain sections of the proposed parcel could be annexed into Town limits for the project. Ms. Shook gave a brief overview of the property itself in regards to the topography of the property. Discussion ensued regarding Councilmember Roseman's question, and clarification was given that Watauga County may not want to annex the whole property into Town limits, which is why the question was asked. Discussion was had regarding what the zoning requirements would be for this property if annexed into Town limits. Ms. Shook mentioned the idea of a planned development, in which Ms. Meade noted that planned developments would need to be readopted, however, they are a flexible tool. Councilmember George discussed the possibility of zoning the property 'R3', which is 'Multiple-Family Residential'. Councilmember George then noted that R3 would be a good starting point for zoning, and that he would like the Town to be open to possible modifications for R3 for this project. Mayor Pro-Tem Tugman discussed the possibility of creating a new zoning district, R3-A for affordability. She then asked Ms. Shook if creating a new district is possible. Ms. Shook explained that it is possible, but that staff would need to do further research. Councilmember George asked Council to consider extending a soft agreement to the County which would be the following: The Town of Boone offers a soft agreement with Watauga County to provide water and sewer services if the property is annexed into Town limits and that the property be zoned R3. Mayor Futrelle asked Council if they agreed with the soft agreement. Councilmember George noted that in the conversation, he would like it to be made clear that a reason for required annexation is due to double rates residents would face without annexation of the property. Councilmember Carter asked for a statement to be added which explains that the Town is open to looking at modifications to R3 zoning for affordable housing. Councilmember George explained that he did not want a developer to automatically think R3 zoning is unfriendly for affordable housing. Ms. Meade explained that historically, the standards for R3 have been problematic for affordable housing, in which Councilmember Carter agreed. Discussion ensued regarding the implementation of R3 and Watauga County. Mayor Futrelle noted that he did not want to have affordable housing with substandard regulations, in which Councilmember Carter noted that he did not mean to imply that sentiment. He explained that he wanted to look at R3 zoning regulations and figure out why affordable housing is unobtainable under this zoning classification. Ms. Davis noted to Council that until an architect surveys the property, as it is a challenging piece of property, there is always the possibility that the property would be deemed as unbuildable for the proposed project. Mayor Pro-Tem Tugman then asked Councilmember George to reiterate his proposal. Councilmember George restated his proposal, with the inclusion of the Town being open to amend certain aspects of R3 zoning. Ms. Meade then read the following soft agreement given by Council to Watauga County: The Town of Boone would extend water and sewer services with annexation, in part to avoid double rates, with the R3 zoning standard being applied to the property. The Town would consider suggests to modifications of R3 to be more applicable for affordable housing, on the understanding that this project would meet state affordability requirements for housing. Furthermore, the Town is not under a commitment for funding water and sewer service extension. Mayor Futrelle asked Council if they gave consensus for the aforementioned statement to be given to Watauga County, in which Council gave consensus unanimously.

CLOSED SESSION

Mayor Futrelle asked for a motion to enter into closed session. Upon the motion of Councilmember George, seconded by Councilmember Roseman, the Boone Town Council voted unanimously moved to closed session at 7:30pm.

PURSUANT TO N.C. GEN. STAT.§ 143-318.11(A)(1), TO REVIEW, APPROVE AND SEAL CLOSED SESSION MINUTES FROM COUNCIL'S PRIOR CLOSED SESSION(S).

PURSUANT TO N.C. GEN. STAT.§ 143-318.11(A)(3), TO CONSULT WITH THE TOWN ATTORNEY IN ORDER TO PRESERVE THE ATTORNEY-CLIENT PRIVILEGE BETWEEN THE ATTORNEY AND THE TOWN COUNCIL AND OBTAIN LEGAL ADVICE, CONSIDER AND/OR GIVE INSTRUCTIONS TO THE ATTORNEY CONCERNING ONE OR MORE POTENTIAL LEGAL CLAIMS.

POTENTIAL ACTION FOLLOWING CLOSED SESSION

ADJOURMENT

Nicole Harmon, Town Clerk

Tim Futrelle, Mayor