

**MINUTES - SPECIAL MEETING
BOONE TOWN COUNCIL
AUGUST 30, 2011**

A special meeting of the Boone Town Council was called to order at 6:34 p.m. in the gymnasium foyer at the Green Valley Elementary School. Mayor Loretta Clawson presided. Council members present were Mayor Pro-Tem Lynne Mason, Rennie Brantz and Jamie Leigh. Town Attorney Sam Furguele was also present. Staff members present were Town Manager Greg Young, Town Clerk Freida Van Allen and Downtown Development Coordinator Pilar Fotta.

Council member Mason said the purpose of the meeting was to release information that was previously discussed in Closed Session and to make the public aware that the Town of Boone had made an offer on the Appalachian Theatre, which is currently in foreclosure proceedings.

On a motion by Council member Brantz, seconded by Council member Leigh, Council moved to release the following press release:

For Immediate Release: August 30, 2011
Contact: DBDA (828) 262-4532

The Downtown Boone Development Association (DBDA) and the Town of Boone are partnering in an effort to purchase the Appalachian Theatre. The goals of this joint venture are to prevent the further deterioration and/or possible demolition of this valuable piece of Boone's history and to renovate and restore it to a community theatre and live performance venue. "Both groups realize that the preservation of the theatre and its eventual restoration will be an important economic benefit for the downtown and the Town as a whole," said DBDA Executive Director Pilar Fotta. "The Appalachian Theatre presents a unique opportunity for us, as well as a chance to preserve local history and reinvigorate one of the downtown's remaining landmarks." In early June, the DBDA and the Boone Town Council learned the theatre was a part of the bankruptcy case of Frank Mongelluzzi, who had purchased the building in 2008 from Carmike Cinemas. The Town and the DBDA each made contact with the Trustee. Items that were removed and feared lost from the theatre, including seating, have since been located. Working together, with a tight timeframe, the DBDA and Town pulled together a purchase plan for the property involving a commitment by the Town to front \$750,000 in funds to make the offer while the DBDA agreed to mount a capital campaign to pay off the loan and to renovate the building to its original 1940s Art Deco style. Once paid for, the Town intends to transfer title to the DBDA or a new non-profit which will oversee the actual operation of a community theater. The DBDA's board of directors unanimously endorsed this approach at a meeting on July 25, and on July 26, a written offer to purchase the theater for \$750,000.00 was forwarded to the Bankruptcy Trustee. Three formal offers are under consideration by the court and several other inquiries have been made in reference to the property. As a B-1 property, many uses could be explored by potential new owners, including demolition for use as a parking lot, conversion or rebuilding as a restaurant or retail space, or a mixed use facility with retail on the ground floor nearest the street and apartments above and behind. The Trustee for the property has filed a motion with the US Bankruptcy Court seeking to promote the DBDA/Town of Boone offer as the most attractive alternative. In court filings, the bank has expressed the desire to proceed with a foreclosure sale, even though the offer submitted by the Town would satisfy the mortgage, as well as provide additional funds for their attorney's fees and expenses. If a private party obtains the theatre property, the only way demolition could be halted would be to declare the building an historic structure; however, this is a lengthy procedure and under state law, the Historic Preservation Commission would only have the power to stop the demolition for a period of one year. "It is our hope to save the Theatre and to make it a multi-use facility for public performances, movies, and even special events for both public and private parties," said Fotta. "We would hate to see its fate be the same as the old Daniel Boone Hotel, which was once located right across the street. We feel certain that our plans would add a new dimension to Downtown and would augment the cultural offerings of Appalachian State University, which would generate more foot traffic interest, and excitement in Downtown Boone." "I hope that all of the pieces come together," continued Fotta. "And that all of the residents of Boone and Watauga County will join together in this important effort. Regardless of the outcome, I am pleased with the cooperation and collaboration between the Town of Boone and the DBDA to take this special step for the continued efforts to preserve the history and promote the economic vitality of Downtown Boone."

ADJOURNMENT

On a motion by Council member Brantz, seconded by Council member Mason, Council moved to adjourn at 6:38 p.m.

VOTE: Aye-All
Nay-None

Town Clerk

Mayor