

**BOONE TOWN COUNCIL
COMPREHENSIVE PLAN DISCUSSION
WEDNESDAY, NOVEMBER 30, 2022, 9:00 AM
1500 BLOWING ROCK ROAD**

COUNCIL MEMBERS PRESENT: Mayor Tim Futrelle, Mayor Pro Tem Edie Tugman, Todd Carter, Dalton George, Becca Nenow, and Virginia Roseman

PLANNING & INSPECTIONS STAFF PRESENT: Jane Shook-Director of Planning and Inspections, Jessica Mitchell-Long Range/Special Projects Planner, and Brenda Henson-Administrative Support

OTHER TOWN STAFF AND REPRESENTATIVES PRESENT: Amy Davis-Town Manager, Rick Miller-Public Works Director, and Allison Meade-Town Attorney

OTHERS PRESENT FOR 9:00 AM SESSION: Megan Mason-Director of Communications-Lost Province/Coyote Kitchen/DBDA President, Carson Coatney- Stickboy/Booneshine Brewing/Melanies, Seth Sullivan-The Cardinal, Josiah Davis-Venture Chocolate & Wine Co./Local Lion, Deron Geouque-Watauga County Manager, and David Jackson-President of Boone Area Chamber of Commerce

OTHERS PRESENT FOR 12:00 PM SESSION: Brian Greer-LifeStore Bank, Joe Mager-Wildwood Community Market/Bluebird Exchange, Caroline Catoe-ECRS, Chris Grasinger-Center 45, and Jeremy Bollman-Hatchet Coffee

Call to Order

Mayor Futrelle called the meeting to order at 9:06 a.m., welcomed everyone, and introductions were made.

Stakeholder Conversation – Group 1

Mr. Carson Coatney, owner of Stick Boy, Booneshine Brewing and Melanies, asked if there were any incentives to encourage small businesses currently in place. Ms. Jane Shook, Director of Planning & Inspections, replied that the UDO was changed in 2014 to incorporate a tiered system for levels of improvements. She felt this had helped with small business startups and renovations.

Mr. David Jackson, President of the Boone Area Chamber of Commerce, stated it was expensive to start a business and timing was also key.

Mr. Seth Sullivan, owner of The Cardinal Restaurant, stated that the up-front costs for system development fees were so high that it was difficult for small businesses to pay. He suggested allowing small, independent businesses to pay the system development fees over time. Mr. Coatney added that system development fees had quadrupled over the past several years. Mr. Rick Miller, Public Works Director, replied that the Public Utilities Department enforced what Town Council adopted. He explained that system development fees were used for the expansion and maintenance of water and sewer systems. Mr. Miller noted that state law changed and the Town had to re-evaluate fees every five years. He stated that a consultant would do that evaluation this year and report to Town Council.

Mayor Futrelle left the meeting at 9:36 a.m.

Mr. Miller stated that system development fees ran with the property. Mr. Coatney noted that he could pay his system development fees at his current location, move to another location, and the system development fees he paid would not go with him to his new location. He felt that system development fees were so expensive for small businesses that it was difficult to pay them and then have to leave them for the next tenant to use. Ms. Allison Meade, Town Attorney, stated that Town Council had the ability

to reassess system development fees. Mr. Coatney made a suggestion that everyone pay a little bit more on their water bills so system development fees could be lowered. He felt that would be a more equitable distribution of payment for maintenance of the water and sewer systems.

Ms. Megan Mason, the Director of Communications for Lost Province and Coyote Kitchen and the DBDA President, asked if system development fees could be adjusted based on hours of operation or seasonality. Mr. Miller replied that they could not be adjusted without a change to the code.

Council Member Roseman suggested the possibility of allowing payment of system development fees to be spread out over a 3 to 4-year period. Ms. Meade replied that it could be possible, but reminded Council members that some businesses would fail, making collection of those fees challenging.

Mr. Josiah Davis, owner of the Local Lion and Venture Chocolate and Wine Company, stated that local, small businesses had a harder time than big businesses. He suggested incentives such as lowering the infrastructure rates.

Mr. Coatney added that he would welcome a flat system development fee and suggested that the town stop counting seats in restaurants. He stated it was impossible for small businesses to understand the UDO.

Mr. Davis stated that the Town Council set a culture for Planning & Inspections that went downstream to the customer. He added that the local historic district regulations created a culture that was not for small businesses. Mr. Davis felt that the regulation process needed to be simplified. Ms. Shook agreed that the UDO could be complicated not only for the general public but for Staff as well.

Ms. Mason suggested that a guide be created to help customers through the permitting process.

Mayor Pro Tem Tugman asked if the Municipal Service District Overlay created any benefits or barriers, other than the tax revenue. Ms. Mason felt that the DBDA could do a better job of being more transparent. She stated she was not sure where the tax money was going and what projects it funded. Ms. Mason stated that a lot of issues boiled down to communication. Mayor Pro Tem Tugman noted that there was a façade grant program of \$5,000 in the Municipal Service District.

Mr. Davis stated that as an example, approximately five years ago, the City of Lenoir offered tax breaks and financial incentives to potential new businesses.

Ms. Shook noted that the Town had been working with the Chamber of Commerce to develop videos that would hopefully help businesses starting up. She added that tax incentives could be limited. Ms. Amy Davis, Town Manager, agreed that there were strings tied to tax incentives.

Mr. Davis felt that an incentive to small businesses would be to streamline the permitting process.

Mr. Coatney agreed that the process should be simplified, there should be less regulations, and less unintended consequences. He felt resources should be provided to small, independent businesses.

Mr. Deron Geouque, Watauga County Manager, stated that when the County was going through the process to get the new parking deck approved it was frustrating. He noted that local, small businesses were not the only ones who had a difficult time navigating the UDO and the system. Mr. Geouque stated he understood the purpose of system development fees to help maintain the infrastructure, but felt the \$500,000 fee the County paid for the new Recreation Center was exorbitant.

Mr. Sullivan felt that business retention would be more likely if startup restrictions, fees, and regulations were lessened.

Mayor Pro Tem Tugman asked if there was a discriminatory aspect to segregating small businesses from large, national businesses. Ms. Meade replied that it would be a concern, especially in this state.

Ms. Mason added that one of the biggest challenges for small businesses was housing and staffing.

Mayor Pro Tem Tugman ended the morning session and called a break in the meeting from 11:18 a.m. until 12:13 p.m.

Stakeholder Conversation – Group 2

Mayor Pro Tem Tugman welcomed the attendees of the afternoon session and introductions were made.

Mr. Joe Mager, owner of the Wildwood Market, began by stating he had significant startup costs because of engineering that had to be done. He added that he was not aware that he would have to spend \$20,000 for engineering in order to obtain a permit. Mr. Mager suggested that more conversation was needed up front about what was actually needed to obtain a permit. Ms. Shook noted that the Wildwood Market was located within a Special Flood Hazard Area that caused the need for engineering.

Mr. Mager stated that he also owned Bluebird Exchange. He noted that it was a very different project than Wildwood Market, and the process to permit the Bluebird Exchange was fairly easy. Ms. Meade explained that the Special Flood Hazard Area regulations were state regulations and could not be adjusted. However, she felt that more education could be provided.

Mr. Brian Greer, Target Market President with LifeStore Bank, felt that HPC regulations created barriers. He suggested that there be a more streamlined process and more up front education.

Ms. Caroline Catoe, President of ECRS, stated their main issues were housing and staffing.

Mr. Chris Grasinger, owner of Center 45, stated that small businesses did not have the funds for engineering and architects. He noted that Marion, McDowell County, and Hendersonville had fairly easy startup plans that the Town could review.

Mr. Greer stated that the Community Development Financial Institution offered grant funding to help small business startups.

Ms. Meade asked what Marion did well that Boone could try. Mr. Grasinger replied that small business was welcomed in Marion. He stated that they offered a local government staff person to be a cohort to small business startups. Mr. Grasinger explained that the staff person was available to help the small business through the permitting and startup process.

Mr. Mager agreed that more one-on-one guides would be helpful. Ms. Shook replied that Planning & Inspections currently had project managers that would be the equivalent of a cohort.

Ms. Catoe asked if the Town could provide a list of the top architects and engineers that were familiar with the UDO. Ms. Shook replied that the Town did not provide recommendations of one business over another; however, she explained that Planning Staff could provide a list of the last few projects and property owner information for the applicant to contact for recommendations.

Mr. Jeremy Bollman, owner of Hatchet Coffee, stated that small businesses had to figure things out as they went. He noted one of his barriers was that there was nowhere for his business to locate a drive-thru. Mr. Bollman felt that available space was a big barrier. He added that affordable housing could not be built in Boone because there was not endless land or resources for expansion.

Mr. Grasinger felt that landscaping requirements in the UDO presented barriers to small businesses, and discussed his experiences with landscaping requirements for parking lots.

Ms. Catoe stated that unlimited growth would ruin the area. She felt that the short-term rental program was a good thing. Ms. Catoe also cited the lack of childcare as a barrier to employee retention. Mr. Greer suggested more funding for the Children's Council.

Council Member Carter noted that 23% of homes in Watauga County were unoccupied as second homes. Mayor Pro Tem Tugman added that 44% of land in the Town of Boone was untaxable.

Ms. Shook asked participants what their vision was for the town.

Mr. Mager stated he would like to see a good ratio of independent businesses to corporate businesses.

Ms. Catoe stated she would like to see daycares allowed in more zoning districts and suggested a lottery for short-term rentals.

Mr. Bollman stated he would like to make sure first priority was given to existing community members for access to property, funds, or other resources.

Mr. Grasinger stated he would like to see the town take seriously the quality of life for its full-time residents.

Ms. Davis noted that the Tourism Development Authority (TDA) and the Town of Boone were working with Eric Woolridge on “Imagine Watauga”, which was designed to provide a future vision of Boone and Watauga County.

Mayor Pro Tem Tugman called a break in the meeting from 2:17 p.m. until 2:27 p.m.

Next Steps

Ms. Shook noted that there would be a discussion regarding mixed-use developments at a work session following the regular Town Council meeting on December 14, 2022.

Council Member George stated that restaurants seemed to have different experiences than other small businesses when it came to permitting and starting their business, in part because of the system development fees being determined by the number of seats.

Council Member Roseman stated that as they went through the Comprehensive Plan update process, they needed to keep in mind how families survived, not just the aspect that Boone was a college town.

Council Member Carter felt that housing was key because if people could not find somewhere to live, businesses would find it very difficult to get employees.

Ms. Shook stated that Appalachian State University had someone on staff that helped new employees find housing. She added that she would like to work with the Boone Chamber to find ways to be more intentional about the types of businesses the town would like to encourage.

Council Member Nenow felt that Startup High Country could be a good partner. She explained that they had developed an informational brochure and they meet at local small businesses.

Council Member Carter asked when the DFI training would be held. Ms. Davis replied that it was scheduled for January 10, 2023.

Adjournment

With nothing further, Council Member Roseman made a motion for Town Council to enter into closed session to discuss the Watauga County sales tax case and to discuss unspecified legal grounds. Council Member George seconded the motion.

Vote: Aye – All
Nay - None

The motion passed.

Tim Futrelle, Mayor

Brenda Henson, Administrative Support