

Watauga County Commission Chairman Nathan Miller, named in the letter being sent by the Town of Boone in garnering support for the town's position for mediation with the county over the old Watauga High property and the county's response by adjusting sales tax, responded himself with a letter —but said he would not spend county money to send a letter to taxpayers—but would post it in the news media. Miller said that what the town wants to do—a closed mediation—is improper...his letter will point out all the times they have offered to meet with the town, but then the town would not enable the county to participate in their Affordable Housing issue, even when asked to change the time for the county to respond. Miller also said he would invite the other towns of the county, as the tax side of the issue affects them as well.

The Honorable Loretta Clawson and Town Council:

The County is in receipt of your letter dated April 2, 2013, requesting a meeting with the Board of Commissioners for April 17th or 22nd at 4:00 PM. Due to scheduling conflicts and the potential visit by the Governor the proposed dates of April 17th or 22nd will not work for the Board of Commissioners. Therefore, the County would propose April 11th or April 12th at 4:30 PM for alternate dates for the Town's consideration. Further, the County would recommend the agricultural extension building as the location for the meeting.

The County welcomes the opportunity for an open dialogue with the Town to facilitate a mutually beneficial agreement for all of the citizens of Watauga County. Please confirm one of the proposed dates so that appropriate planning, notifications, and arrangements can be made.

Thank you for your prompt assistance and attention to this most important matter. We look forward to your response.

Best Regards,

Deron T. Geouque
County Manager

Cc: County Commissioners
Boone Town Council
Greg Young



County of Watauga

Administration Building, Suite 205 • 814 West King Street • Boone, North Carolina 28607

BOARD OF COMMISSIONERS

Nathan A. Miller, Chairman
David Blust, Vice-Chairman
Billy Kennedy
John Welch
Perry Yates

Telephone 828-265-8000
TDD 1-800-735-2862
Voice 1-800-735-8262

COUNTY MANAGER
Deron T. Geouque

COUNTY ATTORNEY
Stacy C. Eggers, IV

Dear Citizens of Watauga County:

I am writing in response to the letter sent by Mayor Loretta Clawson, Town of Boone, dated April 2, 2013. It is unfortunate that the Boone Town Council has chosen to politicize this matter in the press and only communicate and respond to questions asked by the County through letters to the press. It is also unfortunate that the Mayor and Town Council have resorted to name calling and describing me as a bully as that does nothing to further the discussion.

The most recent problems between the Town of Boone and Watauga County stem from the proposed sale of the old high school property. As many of you know, prior commissioners have stated that we needed to sell the old high school to fund the new high school. In 2011, the County Commissioners authorized an appraisal on the old high school property in which a value of \$8 million dollars was determined. However, in 2012 the commissioners were presented an offer for \$15 million dollars. A highly publicized and open bidding process ensued wherein Templeton Properties was the highest bidder with a \$19 million dollar offer. This purchase price represents over 2 times the appraised value and a great deal for the taxpayers of the entire county. The development of this property would provide both the Town of Boone and the County with a much-needed boost in increased tax revenues from property and sales taxes, as well as being a source of new jobs and economic opportunities for our community. This sale allows for a six month due diligence period, which allows Templeton Properties to walk away from the deal if they are unable to develop the property due to over burdening regulations. These types of agreements are common in large deals and this deal is one of the largest property acquisitions in county history. The County was assured that the Town of Boone supported this property being developed to benefit the common good of all the citizens of Watauga County.

Halfway through the due diligence period the Town of Boone decided to change the rules with their Orwellian and incorrectly named Affordable Housing Ordinance. It is incorrectly named because the only purpose served is increased rents for the residents of the Town of Boone. The Town had a public hearing to discuss the Ordinance and while they allowed their Affordable Housing Taskforce over an hour to tell the council why it was a good thing and needed to be passed, members of the public were given much less time. It was clear from all who spoke at the hearing that the price of building housing in the Town would increase substantially with this Ordinance along with driving up rents. I was one of those members of the public and I expressed the County's concerns with the Ordinance. I also offered a solution so that this Ordinance would not adversely affect the old high school property. Templeton Properties' attorney also offered a solution that was acceptable to his client. These solutions were ignored.

A week before the Town of Boone's meeting to discuss whether or not to pass the Ordinance; I sent a letter to the Town of Boone to request that they move their discussion concerning passage of the Ordinance from Tuesday until Thursday due to the County Commissioners meeting the same night. The Town of Boone had a regularly scheduled meeting on Thursday of the same

week. The Town Council did not send any official reply to my letter and proceeded to pass the Ordinance without any input from the County. The Town Council passed the Ordinance with one change, but added additional conditions which essentially has the potential to terminate the old high school sale, which will result in a loss of millions of dollars to the taxpayers of Watauga County. They knew that even with the change proposed by Councilmember Mason that their proposal would essentially terminate the contract and that the change was not sufficient to save the sale.

As Chairman and leader of the County Commissioners, I have contacted three of the five Town Councilmembers to inform them of our disappointment and problem with the passage of the Affordable Housing Ordinance. I informed them that their actions have put the high school sale in jeopardy and the County cannot sit idly by as they destroy the sale of the County taxpayers' valuable asset. Their letter is incorrect in saying we have not offered solutions to amend their Ordinance. I asked two of the three Councilmembers to work with us in amending the Ordinance. I have heard nothing from them except a letter to the public from Mayor Clawson.

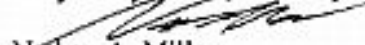
Watauga County does not have communication problems with any other municipalities, counties or state officials. The only communication problem we have is with the Town of Boone. They have ignored us and now only want to talk because they are worried about their tax revenues. The County is also worried about its tax revenues but the Town refuses to talk to the County when asked. I am sure the majority of Commissioners will agree to sit down with the Town but time is ticking away.

If the Town of Boone insists upon maintaining its new regulations which will raise the cost of living in our community and deprive the County of needed tax revenues, the County would have little choice but to reallocate the sales tax revenues in a manner which will offset the loss to the County taxpayer. Mr. Templeton and I have both explained to members of the Boone Town Council what is needed to make the sale of the old high school successful, and it is certainly within their power to make that happen. Selling this property for \$19 million dollars is a win-win for the County, the Town, and all our citizens. Spending over \$6,000.00 of the town taxpayers' money to mail out letters instead of responding to offers or proposals is wasteful and counterproductive.

I make no apologies for standing up to the Town of Boone and their harmful regulations. I swore an oath to look out for the citizens of Watauga County and I will continue to do just that. For years citizens of the Town of Boone and Watauga County have had difficulties dealing with the Town of Boone's numerous and costly regulations and I will not allow the County taxpayers to be punished by the Town of Boone's actions. It is clear that the Town of Boone only wishes to hear input from opposing sides when the Town of Boone's tax dollars are in jeopardy.

I look forward to any meeting between the two political bodies but make no mistake I will look after the County and its taxpayers and citizens.

Very Truly Yours,



Nathan A. Miller

Chairman of the Watauga County Commissioners