

Templeton to Withdraw WHS Offer

Written by Steve Frank
Monday, 08 April 2013 14:36

As feared by the Watauga Commission, Phil Templeton, in a letter addressed to the commissioners and sent to GoBlueRidge.net, says he intends to withdraw his offer of nearly \$19 million on the old Watauga High property at the end of the due diligence period. His letter, published on GoBlueRidge.net in its entirety below, criticized the process, saying "few developers are likely to risk such an investment given the politics, policies and the new and impractical regulations to be dealt with in Boone's current permit application process." Mum about plans for the property, Templeton stated in his letter that plans for the former WHS property included businesses such as a hotel, an Olive Garden, a Target or Stein Mart, a multi-screen theater, retail shops and a significant number of student apartments far removed from residential areas." He also said that "The idea of a private/public partnership to provide a YMCA to serve the citizens of our area (especially the youth) was also being considered." Templeton, who has had other projects at odds with the town, commented on the recent letter from the town, signed by Mayor Clawson, saying, "Contrary to the misrepresentations contained in a recent letter to Boone residents regarding the new multi-family regulations recently adopted by the town council, purportedly written by Loretta Clawson, the new regulations create an undeniably negative effect on the development of the former WHS property as well as many other properties in Boone and the ETJ." He said that he and other bidders "would develop apartments as the first phase of the project or, perhaps, in tandem with the development of portions of the commercial space." But he said, "Under the new regulations, a builder will not have the freedom to develop the apartments or commercial phases as necessary to meet the market demand. This faulty regulation could spell doom for a project that could otherwise have been successful." Templeton criticized other requirements in the new regulations, but then stated, "Even before the latest regulations were adopted, the former WHS property and the properties of many other citizens were already subject to a multitude of regulations including the Steep Slope and Viewshed regulations which have devalued many properties in Boone and the ETJ. Most everyone will recall that these two regulations were adopted by the town council despite the fact that regulations were already in place to safeguard against development on steep slopes and despite the overwhelming opposition from more than 400 property owners who attended the public hearing to express their disapproval." In his closing, Templeton stated, "Plainly stated, the new regulations should be rescinded. They will result in less, not more, housing being built and, as a consequence, housing prices and rental rates will rise. The Boone Town Council should not waste another opportunity to demonstrate independent thinking and common sense leadership. Since the issues described above are not likely to be resolved anytime soon, it is my intention to withdraw Templeton Properties' offer for the former WHS property by the end of the Inspection Period. It is hoped that civil discourse and cooperation will prevail and that our town and county leaders will work together to abolish the many unreasonable regulations which limit and complicate business activity which is so vital to our community. "

Miller said the due diligence period ends around April 24th, and he is dismayed that the town of Boone seems to want to meet only after that date. He was further dismayed that it appears the mayor did not read Miller's letter, and he called the mayor's assertion that the process, in public, would be a circus, was 'unfortunate.'

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The letter as submitted:

To: Nathan Miller, Chairman, Watauga County Commissioners
Deron Geouque, Watauga County Manager
Members of the Boone Town Council
Citizens of Boone and Watauga County

From: Phil Templeton, Templeton Properties, LP

Regarding: Boone's development regulations and their impact on area businesses and the sale of the former Watauga High School property.

If properly developed, the former WHS property holds great promise for benefitting the residents of Boone and Watauga County. However, few developers are likely to risk such an investment given the politics, policies and the new and impractical regulations to be dealt with in Boone's current permit application process.

As stated several weeks ago, Templeton Properties' development plans for the former WHS property included businesses such as a hotel, an Olive Garden, a Target or Stein Mart, a multi-screen theater, retail shops and a significant number of student apartments far removed from residential areas. The idea of a private/public partnership to provide a YMCA to serve the citizens of our area (especially the youth) was also being considered.

Contrary to the misrepresentations contained in a recent letter to Boone residents regarding the new multi-family regulations recently adopted by the town council, purportedly written by Loretta Clawson, the new regulations create an undeniably negative effect on the development of the former WHS property as well as many other properties in Boone and the ETJ.

Before the new regulations were adopted it was contemplated that Templeton Properties, as well as other bidders for the property, would develop apartments as the first phase of the project or, perhaps, in tandem with the development of portions of the commercial space. Under the new regulations, a builder will not have the freedom to develop the apartments or commercial phases as necessary to meet the market demand. This faulty regulation could spell doom for a project that could otherwise have been successful.

The new regulations require that no more than one third of the housing in a B-3 mixed-use project be built until ALL of the commercial portion is completed, UNLESS, the developer provides "financial commitments which will guarantee that all commercial parts of the development will be completed within the approved vesting period, not longer than five years from the date of approval". A developer must provide a letter of credit or bond payable to the Town of Boone equal to 125% of the estimated cost of the undeveloped commercial portion. The amount of this bond or letter of credit could total several million dollars and prove to be unattainable in today's economic climate.

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Under the new regulations, mixed-use development in B-3 zones, which consists of residential units and commercial space, requires Conditional Zoning which must be approved by the town council. In addition to the cost of the land, a developer could spend tens of thousands of dollars in plans, engineering, etc. and still be denied a development permit or be forced to accept unreasonable conditions which could be imposed by the town council or other boards before obtaining a permit.

Even before the latest regulations were adopted, the former WHS property and the properties of many other citizens were already subject to a multitude of regulations including the Steep Slope and Viewshed regulations which have devalued many properties in Boone and the ETJ. Most everyone will recall that these two regulations were adopted by the town council despite the fact that regulations were already in place to safeguard against development on steep slopes and despite the overwhelming opposition from more than 400 property owners who attended the public hearing to express their disapproval.

It's clear that adopting the new regulations which unreasonably restrict multi-family development was a mistake. Regardless of the intent, they serve no legitimate purpose, do absolutely nothing to advance affordable housing for the work force and simply add more to Boone's excessive bureaucracy. Plainly stated, the new regulations should be rescinded. They will result in less, not more, housing being built and, as a consequence, housing prices and rental rates will rise. The Boone Town Council should not waste another opportunity to demonstrate independent thinking and common sense leadership.

Since the issues described above are not likely to be resolved anytime soon, it is my intention to withdraw Templeton Properties' offer for the former WHS property by the end of the Inspection Period. It is hoped that civil discourse and cooperation will prevail and that our town and county leaders will work together to abolish the many unreasonable regulations which limit and complicate business activity which is so vital to our community. This will help to ensure that, at some point, the former WHS property will sell for the highest possible price and be developed to its highest and best use for the good of all the citizens of Boone and Watauga County.

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