Written by Annie Rutenberg
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In what is hopefully a short-term shortfall, the Avery Commission met at the Commissioners Board room, Catherine Morton there to discuss the need of the Avery County Humane Society to buy the 4+ acres of land the new shelter is on in Newland for $25,000. The Humane Society needs to use the land and building as collateral for a bank loan of $1,000,000. The Board approved the sale in a 4-1 vote of in favor with some conditions. Commissioner Scott Heath voted against it due to the fact that he didn't want the County or the Humane Society to be in a vulnerable position. The value of the land with improvements is 4 million and Board otherwise didn't feel it to be a risk . The Humane Society is a beneficiary in the Blair Trust, if the fund does not do well the amount the Humane Society will receive will be 1.4 million and if it performs well the payout will be 2.5 mil in 2018. The Humane Society needs a $1 million loan to complete payment to the contractor since donations and pledges have fallen short. An executive session was held to decide how to deal with the property dilemma. Catherine Morton of the Humane Society board stated they need a commercial loan to pay bills and the current arrangement of the Humane Society, which is leasing the property for 99 years. She explained that the arrangement isn't enough to get loan—that banks need collateral. As such, the Humane Society needs deed of trust that would give the bank the right to sell property in the event of default. The current agreement is a lease agreement for the 4.4 acres with revision clause stating the property reverts to the County if not used as Humane Society. Morton explained three options, stating if anyone has suggestions for other options HS is open to them.
Option 1 would leave the lease agreement as it is, owing the contractor $1 million while raising money. Morton said there are pledges in place, and fundraising continues with a trust set up with the shelter as beneficiary in 2017. She said the Blair Trust will payout between $1.4 mil and $2.5 mil depending on how the investment fares. Morton said the Humane Society cannot borrow against this until 2017.
Option 2 is to take out condition of lease that states property is used as animal shelter.
Option 3 is for the society to obtain ownership and use building and land as collateral to obtain a $1million loan which the plan is to pay off in 2018 when they get trust. The attorneys will draw up a formal agreement to purchase property for $25,000 and after loan is paid off, the County will retain ownership.