

**Downtown Boone Development Association
Special Meeting
of the
Board of Directors
Monday, July 25, 2011
5:30 p.m. Jones House Community Center**

Recorded Attendance:

Board Members: Andy Stallings, Jamie Leigh, Jason Berry, Omer Tomlinson, Lynne Mason, Sheri Moretz, Bob Meier, Jean Borhman, Greg Lovins

Staff: Pilar Fotta

Public: Brad Harmon

General Administration

Bob Meier, vice president, called the meeting to order at 5:45 p.m.

There was a quorum of the Board present at the meeting.

This meeting was called in order to discuss the possible purchase of the Old Appalachian Theatre (OAT). Before the primary discussion started, Executive Director Pilar Fotta indicated that she would like the Board to take action on the accounts at High Country Bank. New accounts have been set up at RBC because High Country Bank will soon be closing their downtown location. Jean Borhman made a motion to allow Fotta to close the accounts at High Country Bank after all outstanding checks have cleared. All funds at that time will be deposited into the appropriate accounts at RBC. Stallings seconded the motion, and it passed.

The Town Council met to discuss the request to make an offer on the OAT. In answer to that, they have prepared the Memo of Understanding that each member in attendance has. This meeting is to discuss what the MOU means. If the Board chooses to take action to make the offer, Fotta will need to e-mail Town Counsel tonight with the motion, and the DBDA President and Mayor will need to sign the MOU. It was pointed out that the Town has gone above and beyond to even make this discussion possible.

In the discussion, the Board will need to determine if it can:

1. Acquire the Property
2. Restore the Property
3. Operate the Property

The first goal, should the organization undertake the opportunity is to pay back the town. One of the points in the MOU is that if we are unable to raise the money, that we, the DBDA, will ask the Town to raise the MSD tax by 50% and those funds will go to pay the loan.

Lynne Mason indicated that if the capital campaign is set up well with a consultant that we can all work with, then the campaign will be successful in raising the necessary funds. Jason Berry asked if we could put a time on how long the MSD tax would be increased – in other words, the increase would be only temporary.

To be clear, the acquisition cost of the building is \$700,000. The appraisal supports this bid. The renovation costs would be \$1.8 million to make it a functional building up to \$3.5 million to make it a real showcase. A lot is dependent upon whether it can be done as a renovation or if it will be considered new construction. We do know that two other groups/individuals have put in bids and that ours is not the highest. But, the judge

does have some leeway in how he can award the building.

A question was raised about who will run the theatre when it gets to that point. The DBDA will likely not run the theatre. Another non-profit will be formed to do that. In Durham, the city owns the theatre and has contracted with another non-profit organization to run it.

Grants may be available. Many state and federal grants that were available in the past no longer exist or are making smaller awards, but there are foundations that can be approached for funding assistance. The intention is for this to remain a community property.

It was noted that should the DBDA acquire the property, one of the first undertakings, after doing some repairs to ensure that no further damage occurs to the building, is to make a presentable facade using the least funds possible but making the best possible impact.

It was asked if ASU could help with the fundraising in any way. Greg Lovins indicated that they may be able to assist in finding the right consultant for the job.

The possibility of a bond referendum was raised. This would be undertaken as a last resort.

Other considerations must be at least put on the table – the Board must stand together and face any back lash, which could come from the businesses on Howard Street, as one example. Other options could be, should the DBDA get the building, why are you putting funds into this building/activity? Or, should we not be the winning bidder, why didn't you make an effort to get the building....now it's gone.

An architect needs to be a part of the planning process to provide visuals for the fundraising campaign.

It is important to note the support of the Town Council, in particular Jamie Leigh, who helped to pull together the terms of the MOU.

After several avenues of discussion, Omer Tomlinson made a motion for the DBDA to make the offer on the building and to sign the Memo of Understanding. Borhman seconded the motion, and it passed.

Fotta thanked the Town Council and the Town of Boone for stepping up and thinking outside of the box to make this offer possible.

There being no further business, the meeting was adjourned at 6:50 p.m.

Minutes respectfully submitted for your approval

Sheri J. Moretz