

DRAFT
MINUTES
Town of Blowing Rock
Board of Commissioners
Regular Meeting- July 8, 2014

The Town of Blowing Rock Board of Commissioners met in regular session on Tuesday, July 8, 2014 at 5:30 p.m. The meeting took place at Town Hall located at 1036 Main Street, Blowing Rock. Present were Mayor J.B. Lawrence, Commissioners Albert Yount, Dan Phillips, Sue Sweeting, Doug Matheson and Ray Pickett. Others in attendance were Town Manager Scott Fogleman, Town Attorney Allen Moseley, Town Engineer Doug Chapman, Planning Director Kevin Rothrock, Building Inspector John Warren, Police Chief Tony Jones, Finance Officer Nicole Norman, Public Works Director Mike Wilcox, Parks & Recreation Director Jennifer Brown, Emergency Services Director Kent Graham and Town Clerk Sharon Greene.

CALL TO ORDER

Mayor Lawrence called the meeting to order at 5:30 p.m. and welcomed everyone.

SPECIAL RECOGNITIONS AND REPORTS

Highway 321 Valley Boulevard Construction Update

Planning Director Kevin Rothrock gave the update regarding the Hwy 321 Widening Project due to Kipp Turner with Maymead Construction Co. being unable to attend the meeting.

Mr. Rothrock advised that Wall # 36 located near Food Lion was completed and the same color scheme would continue on the walls located near Samaritan's Purse and the old Scotchman building.

Mr. Rothrock also advised the rock veneer on the wall across from the golf course would be constructed of rock from the same quarry as that used to build the Skyland View Drive rock veneer wall. Also, a realignment of the intersection at Skyland View Drive would be completed over the next several weeks.

Several water and sewer lines were tied into the system between Food Lion and Tanger Outlet Shoppes and additional sewer work for the Town along US 321 Business to the Wastewater Treatment Plant were approved and the pipe ordered according to Planning Director Rothrock.

Additional rock bolts would be installed in the rock face in front of the Cliff Dweller Inn as well as additional shotcrete.

Planning Director Rothrock continued the update regarding culvert work, grading, temporary widening and minor traffic shifts on the west side of the project to create more room for construction, etc.

APPROVAL OF MINUTES

A motion was made by Commissioner Sweeting to approve the minutes as written for meetings held on June 10th and June 25th, seconded by Commissioner Matheson. Unanimously approved.

CONSENT AGENDA

Town Manager Fogleman presented the following items on the Consent Agenda:

1. Fiscal Year 2013-2014 Tax Settlement Report and Order to Collect Fiscal Year 2014-2015 Taxes

Consideration of the Tax Collector 2013 Settlement Report and approval of an Order to the Town Board for the collection of 2014 taxes representing revenues for fiscal year 2014-2015. Fiscal Year 2013-2014 Tax Settlement Report and Order to Collect Fiscal Year 2014-2015 Taxes – Exhibit A

2. Consideration of Blowing Rock Chamber of Commerce Event Dates for Calendar Year 2015

The Blowing Rock Chamber of Commerce has identified and is officially requesting approval for the series of events they are planning for calendar year 2015.

Commissioner Sweeting made a motion to approve both items on the consent agenda as presented, seconded by Commissioner Matheson. Unanimously approved. Chamber of Commerce Event Dates for Calendar Year 2015 – Exhibit B

PUBLIC HEARINGS

1. Comprehensive Plan Adoption

Planning Director Kevin Rothrock stated the revised draft of the 2004 Comprehensive Plan being presented had received approval by the Planning Board during their June 19, 2014 meeting. He then introduced Jason Epley of Benchmark Planning Consultants.

Mr. Epley began the presentation by thanking those who were involved with the planning process. He explained the Comprehensive Plan is a guiding document for the Town that concentrates on infrastructure, growth, etc. Areas covered in the plan include land use and development, preservation of the natural environment, recreation and cultural aspects, transportation, fiscal impacts, etc. Mr. Epley stated over the past year, several workshops were held and a survey was sent to residents of Blowing Rock to gather information regarding the future vision for Blowing Rock.

Mr. Epley stated through the planning process, the following ten high priority projects were identified as being the most important to undertake at the outset of the plan implementation process:

- Planning for Downtown Overhead Utility Relocation

- Middle Fork Greenway Extension (through Town)
- Multi-use Path from Downtown to Bass Lake
- Valley Boulevard Gateway Enhancements
- Illustrated Architectural and Site Design Standards
- Complete Downtown Streetscape Project
- Continue Utility Facilities Plan Implementation
- Expand Culture/Arts Use of Town Facilities
- Develop Arts/Cultural Center on Park Avenue
- Middle Fork Greenway Completion (to Boone)

Mr. Epley commented the Comprehensive Plan is a good product showing important goals and strategies for Blowing Rock's future.

With no further comments, a motion was made by Commissioner Pickett, seconded by Commissioner Phillips to approve the final draft of the Comprehensive Plan as presented. Unanimously approved. Resolution #2014-05 to Adopt the Town of Blowing Rock 2014 Comprehensive Plan Update – Exhibit C

2. Conditional Use Permit – Mountainleaf

Commissioner Pickett asked to be recused from the following Public Hearing due to a perceived financial conflict of interest since his property is adjacent to the proposed property. Commissioner Pickett was recused.

Planning Director Rothrock asked those who wished to speak during the public hearing to be sworn in by the clerk.

Planning Director Rothrock then presented a CUP request from Catellus Group, LLC to construct a mixed-use project on a 7.359 acre parcel located on the corner of Main Street and Hill Street. The applicant is proposing to build a 112-room hotel with a conference space, spa, and restaurant, an additional restaurant, up to 26,000 square feet of retail space, twenty (20) condominiums, and related parking spaces.

Planning Director Rothrock further reviewed details of the request pertaining to access, fire protection, setbacks, parking, building heights, etc. He explained the maximum building height is 40-feet for buildings proposed along the south side of the entrance and the retail/condo buildings meet those requirements. He further explained the hotel planned in the rear of the property does not appear to exceed the height limit of 40 feet at the primary entrance. However, the spa is located on the lower level and the building is expected to measure approximately 55 feet to the top of the roof which would exceed the 40 feet building height, but is positioned back from Main Street by 202 feet. Mr. Rothrock explained the distance from Main Street appears less visually obtrusive than placing a 30 foot building 15 feet from Main Street. He stated the applicant is requesting flexibility to accommodate the hotel plans submitted that would allow relief from the building height standards of the Land Use Code.

Planning Director Rothrock further explained the proposed project requires 267 parking spaces total for all of the separate and individual proposed uses; however, the proposed project shows there to be 254 spaces. According to Mr. Rothrock, the applicant is requesting flexibility in the parking standards for the hotel spa since the spa is generally used by hotel customers. Mr. Rothrock explained that Section 16-20.4 of the Land Use Code authorizes Council to reduce the amount of required parking if it appears that parking for the site would be adequate and parking spaces overlap with the hotel use. He stated that staff didn't believe 13 fewer parking spaces would significantly impact spa customers as it is primarily an auxiliary use of the hotel.

Mr. Rothrock also explained that in lieu of a sidewalk along the entire Main Street frontage, the applicant is proposing a sidewalk through the development to serve as a connection from the Chetola entrance to Hill Street/Main Street intersection. He stated that staff recommended the applicant provide a sidewalk along Main Street from Hill Street to the Southern Comforts restaurant. Coordination with the four impacted property owners and NCDOT would be necessary for installation of the sidewalk connection.

Mr. Rothrock further explained the applicant is proposing to collect storm water from the site and discharge to a proposed detention pond in front of the hotel. The pond would serve as a water feature for the project. Mr. Rothrock advised if the pond proved not to be adequate to accommodate the Land Use Code storage requirements, other detention methods could be used to handle the design flow.

Highlights of the concept building designs include rock veneer, heavy timber framing, wood shakes and wood accents.

Mr. Rothrock stated, according to the 2004 Comprehensive Plan, there were certain policies that needed reviewing pertaining to this project. He also advised before construction began on the buildings that were planned each would come before Council for review and approval.

During the June 19th meeting of the Planning Board, a recommendation was made to approve the conditional use permit with the following conditions which had been integrated into the draft conditional use permit as stated by Mr. Rothrock.

1. The Applicant shall improve and widen Hill Street to 18 feet of asphalt width with curb and gutter along the applicant's property only.
2. All parking for the property shall be accessed from within the site.
3. The Applicant shall provide escrow funds to construct the sidewalk from the corner of Hill Street (at Main Street) to Southern Comforts Restaurant.
4. All sidewalks within the site will be available to the public.

5. The Applicant shall provide public restrooms on the site.

Mr. Rothrock advised that several representatives of the development group are present to give further information regarding the project and to answer any questions that Council or the public might have.

Commissioner Phillips asked who owned the 7-acre tract. Mr. Rothrock responded that Bank of Granite, who was in the process of merging with Community One Bank, owned the property. Commissioner Phillips asked if the applicant had a contract with the owner, and if so, did the Town have a copy. Mr. Rothrock advised the applicant did have a contract, although the Town did not have a copy on file. He had spoken with a bank representative and the applicant was authorized to move forward with the proposed project.

Commissioner Yount stated that approximately 24 months was spent on the previous project planned for this tract and \$64,000 was spent on attorney fees, and a large amount of that time was spent on storm water management.

Commissioner Matheson had questions regarding the proposed sidewalk from Hill Street to Southern Comforts restaurant and if the property owners along that area would have any input regarding this item. Mr. Rothrock said the Town would need to work with NCDOT regarding the rights-of-way and easements would be needed. Commissioner Matheson also mentioned that he would like for the proposed crosswalks to be more visible than the crosswalks on Main Street because traffic would be moving faster in that area. Mr. Rothrock stated that too would depend on NCDOT because Main Street is a state road.

Commissioner Yount stated an easement had been received from Chetola Resort regarding storm water management in the past and he asked Town Attorney Moseley if this easement had been conveyed to the Bank of Granite and if it followed the property. Town Attorney Moseley stated the easement did in fact follow the property.

Planning Director Rothrock advised that Council approval is being requested regarding the building height on one side of the proposed hotel, parking requirements, and the impervious special density allocation. The Council would need to also vote on the "Findings of Fact" in the CUP but other than those items, the project adhered to the requirements of the Land Use Code.

There being no further questions of Mr. Rothrock, he then introduced Mr. Walter Fields of The Walter Fields Group, Inc. Mr. Fields began by introducing the other representatives of the developer who were present. He stated with this project the storm water would not be taken off-site, it would be incorporated as an amenity on site.

Mr. Fields expressed his gratitude to the Town for allowing a conceptual plan first, and if approved, each element of the project would come before Council for approval. Mr.

Fields also expressed his appreciation to Town staff, Mr. Fogleman and the Fire Department for their help with the project.

Next to speak was Mr. Stephen Barker, owner of the Catellus Group, LLC. Mr. Barker gave a brief history of his company stating it was a family-owned business that began in Michigan then migrated to Charlotte, NC in 1986. Mr. Barker advised that his company had purchased another property in town located behind the Speckled Trout Cafe and had made some improvements to that area. Now his company has a contract to purchase the 7-acre tract with Community One Bank. Mr. Barker then introduced Richard Petersheim, Landscape Architect with Land Design.

Mr. Petersheim commented this tract is a gateway into Blowing Rock and his client wants to create a retreat inspired by the beautiful textures and natural palette of the Blue Ridge Mountains; a memorable space with an engaging consumer experience. Mr. Petersheim stated the property was a 60-foot grade change from the rear of the property to Main Street and during the course of the project, as many trees as possible would be saved. He stated a 112-room hotel with a spa is proposed as well as retail spaces with residential units located above and parking for the residential units would be located below the buildings.

Mr. Petersheim also discussed the storm water detention plan for the project, stating it would be captured and treated on-site as an amenity in front of the hotel. Should any storm water be sent downstream, it would be released slowly into Chetola Lake.

Stephen Overcash, of Overcash Demmitt Architects, stated he had been an architect in Charlotte for the past 30 years. He commented his client wants this project to continue with what Blowing Rock has in place already. He spoke briefly regarding the materials that would be used such as stone, wood shakes, and large timbers, etc.

Next, Mr. Petersheim talked about the topography of the land and how the project would be situated on the 7-acre tract.

Mr. Fields spoke regarding the conditions the Planning Board had recommended. He began by saying the sidewalk within the project would be open to the public. He talked about the proposed sidewalk from Hill Street up to Southern Comforts restaurant and what it would take to install a sidewalk there. He said there were several issues with installing a sidewalk in that area that needed to be worked out and his client was proposing to put money in an escrow account to be used for that purpose. Mr. Fields also stated that public restrooms would be incorporated into the project as recommended by the Planning Board.

Next, Mr. Fields talked about the condition that all parking be accessed within the site being an area of some concern. He commented the topography where the single level parking area is proposed is rocky, and changing the entrance would increase the height of the retaining wall. Mr. Fields said emergency vehicles could access the project more

effectively from the Hill Street entrance and he didn't feel they could agree to that specific condition for those reasons.

Mr. Fields advised they are willing to install signage that prohibits a right-hand turn onto Hill Street while exiting the parking area.

Mr. Fields then spoke regarding the impervious special intensity allocation and indicated that the final drawings for the project have not yet been completed and calculations had not been made. He stated the ordinance allows for up to 70 percent and he felt the project would definitely be under 70 percent.

With this being a mixed use project that would take some time to complete, Mr. Fields stated his client is requesting the Town grant a 5-year vesting period in which to complete the project.

A third crosswalk, two properties up from Hill Street was also suggested. Mr. Fields felt a crosswalk would be helpful in that area with proper signage making motorists aware of the upcoming pedestrian crosswalk.

Commissioner Sweeting inquired if two-way traffic was proposed up Hill Street. Mr. Fields responded according to the plan, Hill Street would remain two-way.

Commissioner Phillips asked if the Catellus Group had other projects such as the one proposed. Mr. Fields stated due to the challenging site and the mixed use, this was the first of its kind that he had worked on. He advised that he usually worked on larger projects. Commissioner Phillips inquired about the Grand Dakota Lodge that was on the Catellus Group's website. Mr. Barker responded that he had acquired that property in 2004, but this project was the first that he had started from the ground up.

Commissioner Sweeting inquired about garbage collection and deliveries within the project. Mr. Fields commented these details would be worked out with each individual plan as buildings are constructed.

Commissioner Phillips asked if the hotel would be a boutique or franchise hotel. Mr. Barker stated the hotel would be a blended boutique/franchise mid to upper scale hotel that he felt would draw new energy to the area. Mr. Barker complimented Mr. Tarbutton regarding the standard that he had set with the Timberlake Restaurant, and also stated that he thought this project would benefit Mr. Tarbutton and other hotel owners in Town.

Commissioner Phillips asked if Mr. Barker anticipated any flexibility in the retail space proposed. Mr. Barker responded a retail study had been done and according to the study, there was a need for approximately 60,000 to 70,000 square feet of retail space.

Commissioner Yount asked if the retail/residential units would be built first or the hotel. Mr. Barker stated their plan was to construct the retail/residential units before the hotel.

Commissioner Sweeting inquired if the residential units would be 1 to 2 bedroom or larger. Mr. Barker stated a marketing consultant would be retained in order to help find out what there was a market for. Mr. Barker stated the residential units would more than likely be within the \$450,000-\$550,000 price range.

Commissioner Sweeting voiced concerns with the over-flow of storm water being released into Chetola Lake and if there was an agreement with Chetola in regard to this issue. Mr. Vogel stated that had not been discussed, however, the storm water run-off had always gone to Chetola Lake. With this project; the run-off would be released at a much slower rate and there would be future coordination with Chetola Resort.

Commissioner Yount inquired about traffic along Hill Street. He stated with the previous proposed project, they had planned for traffic to be directed one way from the entrance onto Main Street due to concerns about traffic from the project being intrusive to the neighborhood. Mr. Fields stated they would work with the Town regarding that issue.

Commissioner Matheson asked if there would be an irrigation system in the project. Mr. Petersheim replied that they hadn't gotten that far into planning, but thought the majority of the project would have an irrigation system in place.

Mayor Lawrence then asked if anyone in the audience had questions or concerns they would like to voice.

Audience member Ms. Linderberger commented the project seemed to be self-contained and she was concerned that those visiting and staying in the hotel would be encapsulated and not be integrated into the local economy. She also wanted to know if local people/businesses would be utilized for construction of the project. Ms. Linderberger commented that she was happy to hear an effort would be made to save as many trees as possible that were 8 inches or larger in diameter during construction. She also wanted to know who would determine which trees to save.

Mayor Lawrence replied that he hoped those who visited and stayed at the proposed hotel would also explore other areas of Blowing Rock. Mayor Lawrence also stated that he felt local contractors as well as out of town contractors would be used to complete the work on the project.

Planning Director Rothrock stated prior to grading, there would be a plan showing which trees would be saved and he and the Town's landscape specialist would be involved with this aspect.

Town resident Ginny Stevens stated she had lived in Blowing Rock for the past 30 years and is very pleased with how Blowing Rock is currently. Ms. Stevens stated there is too much physical hardscape in the project and felt the project had not captured the true feelings of Blowing Rock. The residents who live in Blowing Rock are proud of their Town and of the older buildings and didn't need a make-over. Ms. Stevens felt the applicant was trying to make a new kind of Disney World and everything was too new

and too fresh; there needed to be more considerate of feelings and emotions in the area.

Hill Street resident Jane Fonville expressed that she was glad there would be an effort to save as many trees as possible, but she had concerns with construction trucks being on Hill Street. Ms. Fonville was also worried about the affect this project would have on property values in the area. She expressed that local people in the area needed work and hopefully this project would hire locally when possible.

Town resident John Aldridge stated he felt the proposed hotel was a good idea; however he was concerned with the phasing of the project. His concern was if the retail/residential units were built and the hotel wasn't constructed. Mr. Aldridge also commented he didn't want the project to compete with Main Street Blowing Rock and asked if the applicant would consider building more residential units than retail. Mr. Aldridge commented there was a need for higher-end residential in this area. He also expressed that he hoped the hotel amenities would be available to residents. Mr. Aldridge urged Council not to allow a 5-year vesting period for the project that the standard 2 years should be sufficient. Mr. Aldridge reiterated that he thought the hotel would be a positive enhancement to the area.

Ms. Lorry Mulhorn urged Council to examine this project closely because there were so many unknowns. She also expressed that she didn't like the use of the term "Main Street" within the project, because Blowing Rock already had a Main Street.

Kent Tarbutton stated that he was speaking as a member of the TDA Board as well as owner of Chetola Resort. According to the TDA perspective, an upscale hotel such as the one proposed is needed in Town and Mr. Tarbutton felt it would attract more people to the area. He also stated the project is architecturally attractive.

Mr. Tarbutton expressed that he didn't feel this project would hinder other retail or hotel businesses in town; he felt it would bring more to the market.

Mr. Tarbutton also mentioned that he had walked the 7-acre tract many times and there were lots of damaged trees on the property, especially hemlocks that were dying.

Mr. Tarbutton advised that Tanger Shoppes had invested a lot of money installing a sidewalk from that area toward Town and he didn't want the sidewalk to dead end. It needed to connect to the downtown area.

Mr. Tarbutton also agreed that five years was too long to vest the proposed project.

Mr. Tarbutton said from the perspective of owner of Chetola Resort he didn't think having 13 less parking spaces than what was required would be a problem, since 85% of the people who were staying there would be using the other amenities such as the spa, etc. He also commented he thought having a spa would be an enhancement as

well. However, Mr. Tarbutton felt there were enough meeting spaces in Town that could be utilized such as the Fire Department, BRAHM, American Legion, etc.

Mr. Tarbutton stated that personally he didn't feel the proposed project was too dense for the 7 acres however, he urged Council to study the storm water standards closely for this project.

Town resident and business owner Keith Tester stated he had lived in Blowing Rock for the past 18 years and had seen things such as this project come and go. While listening to the presentation, he had not heard anything about trying to integrate this project with the rest of the village. Mr. Tester said "Blowing Rock is special and unique because it isn't a city or town, it is a village situated in a very picturesque area". He was concerned that once this project is completed, Blowing Rock would no longer be unique.

Mr. Tester stated that he had walked through many Main Streets like the one proposed in other places and with the addition of this project, he asked if Blowing Rock would continue to be a village or would it then be a small Town. He asked Council to think about the concept being presented and if the concept fit into what they want Blowing Rock to continue to be.

Mr. Tester said that he had heard much discussion about bringing more people to Town which would then bring more money to Town. However the Town's revenue didn't come primarily from retail, hotels, etc., it came from the property owners. He was concerned about the properties located near this project and how they would be affected. Mr. Tester urged Council once again to examine the concept and determine if it fit into Blowing Rock.

Morningside Drive resident Mr. Jim Jackson stated that he had worked on many commercial developments as a developer in the Raleigh area and was in favor of the project.

With no further comments from the audience, Mayor Lawrence asked if Council had further questions of the applicant. Commissioner Phillips asked about financing for the project. Mr. Barker responded that with any real estate development, financing was an important element and there were financing sources who were interested. However, since this plan is in concept only, he had supplied the capital to get to this point and was confident further capital would come.

With no further questions, a motion was made by Commissioner Matheson to close the public hearing, seconded by Commissioner Sweeting. Unanimously approved.

Commissioner Phillips said that he needed more time to study a project this large and important to the Town. Commissioner Matheson agreed that more time was needed to absorb everything that had been discussed.

Commissioner Sweeting commented the Planning Board had worked hard on this project however she did have some concerns.

Commissioner Yount stated his concern regarding the scale of the project.

Mayor Lawrence stated there were three things that Council needed to make a decision on: building height, parking and impervious surface, otherwise the project met code requirements.

Commissioner Sweeting expressed that she thought the project was interesting, but she had concerns with the phasing of the project, storm water management and integration with the Town.

Commissioner Yount stated that he didn't share Commissioner Sweeting's concern regarding storm water, because any run-off from the property would be slowed down considerably by the pond that was proposed. His main concern was the scale of the project. Commissioner Yount stated he wasn't prepared to make a decision at this time.

Mayor Lawrence stated the applicant deserved an answer and a timeline was needed regarding this issue.

Town Attorney Moseley advised if more information was to be given regarding this project he would suggest another public hearing.

Town Attorney Moseley also stressed that Council was not to discuss this issue with the public, or among themselves.

Planning Director Rothrock stated he would keep dialogue going with the applicant with any further questions or concerns that Council might have. He also reiterated that Council should not discuss this matter with anyone.

Commissioner Sweeting made a motion to table this item for further review until the August Council meeting, seconded by Commissioner Matheson, Unanimously approved.

SPEAKERS FROM THE FLOOR

None

At 8:25 p.m. Commissioner Sweeting made a motion to move into Closed Session pursuant to NCGS 143-318.11A-3, to consult with the Town Attorney, seconded by Commissioner Matheson. Unanimously approved.

ADJOURN

At 9:10 p.m. Council reentered their regular meeting, and with no further business to discuss, the meeting was adjourned.

MAYOR _____
J.B. Lawrence

ATTEST _____
Sharon Greene, Town Clerk

ATTACHMENTS (07-08-14)

Fiscal Year 2013-2014 Tax Settlement Report and Order to Collect Fiscal Year 2014-2015 Taxes – Exhibit A

Chamber of Commerce Event Dates for Calendar Year 2015 – Exhibit B

Resolution #2014-05 to Adopt the Town of Blowing Rock 2014 Comprehensive Plan Update – Exhibit C