

**TENTATIVE AGENDA & MEETING NOTICE
BOARD OF COUNTY COMMISSIONERS**

**TUESDAY, APRIL 16, 2013
5:30 P.M.**

**WATAUGA COUNTY ADMINISTRATION BUILDING
COMMISSIONERS' BOARD ROOM**

TIME	#	TOPIC	PRESENTER	PAGE
5:30	1	CALL REGULAR MEETING TO ORDER		
	2	APPROVAL OF MINUTES: March 19, 2013, Closed Session April 2, 2013, Regular Meeting April 2, 2013, Closed Session		1
	3	APPROVAL OF THE APRIL 16, 2013 AGENDA		11
5:35	4	REQUEST FOR APPROVAL OF THE WATAUGA COUNTY COMPREHENSIVE TRANSPORTATION PLAN	MR. PHIL TREW	13
5:40	5	CLAYBOUGH FOUNDATION GRANT REQUEST	MR. JIM ATKINSON	19
5:45	6	PROPOSED 2013 HOME AND COMMUNITY CARE BLOCK GRANT (H&CCBG) FUNDS REDUCTION AND BUDGET REVISION REQUESTS	MS. ANGIE BOITNOTTE	23
5:50	7	PRESENTATION OF SMOKY MOUNTAIN CENTER QUARTERLY REPORTS	MS. MARGARET PIERCE	27
5:55	8	BOARD OF EQUALIZATION AND REVIEW (E&R) SCHEDULE	MR. LARRY WARREN	33
6:00	9	PUBLIC HEARINGS		
	A.	To Allow Citizen Comment on Proposed Amendments to the Watauga County Farmland Preservation Plan	MR. JIM HAMILTON	37
	B.	To Allow Citizen Comment on Proposed Amendments to the Watauga County Voluntary Farmland Preservation Program Ordinance	MR. KELLY COFFEY	59
6:05	10	MISCELLANEOUS ADMINISTRATIVE MATTERS	MR. DERON GEOUQUE	
	A.	Watauga County Arts Council Lease Proposal		75
	B.	Watauga Solar Lease Amendment		89
	C.	Consideration to Change Sales Tax Distribution from Per Capita to Ad Valorem		95
	D.	Boards & Commissions		105
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6:10	11	PUBLIC COMMENT		112
7:10	12	BREAK		112
7:15	13	CLOSED SESSION Attorney/Client Matters – G. S. 143-318.11(a)(3)		112
7:30	14	ADJOURN		

AGENDA ITEM 2:

APPROVAL OF MINUTES:

March 19, 2013, Closed Session

April 2, 2013, Regular Meeting

April 2, 2013, Closed Session

DRAFT**MINUTES****WATAUGA COUNTY BOARD OF COMMISSIONERS
TUESDAY, APRIL 2, 2013**

The Watauga County Board of Commissioners held a regular meeting on Tuesday, April 2, 2013, at 8:30 A.M. in the Commissioners' Board Room of the Watauga County Administration Building, Boone, North Carolina.

PRESENT: Nathan Miller, Chairman
David Blust, Vice-Chairman
Billy Kennedy, Commissioner
John Welch, Commissioner
Perry Yates, Commissioner
Stacy Eggers, IV, County Attorney
Deron Geouque, County Manager
Anita J. Fogle, Clerk to the Board

Chairman Miller called the meeting to order at 8:31 A.M.

Vice-Chairman Blust opened the meeting with a prayer and Commissioner Welch led the Pledge of Allegiance.

APPROVAL OF MINUTES

Chairman Miller called for additions and/or corrections to the March 19, 2013, regular meeting and closed session minutes.

Commissioner Kennedy, seconded by Commissioner Yates, moved to approve the March 19, 2013, regular meeting minutes as presented.

VOTE: Aye-5
Nay-0

Chairman Miller tabled consideration of the closed session minutes to allow for review of proposed amendments.

APPROVAL OF AGENDA

Chairman Miller called for additions and/or corrections to the April 2, 2013, agenda.

Commissioner Kennedy, seconded by Vice-Chairman Blust, moved to approve the April 2, 2013, agenda as presented.

VOTE: Aye-5
Nay-0

WATAUGA COUNTY ARTS COUNCIL PROPOSAL

Ms. Cherry Johnson, Director of the Watauga County Arts Council (WCAC), and Ms. Pat Lanno, President of the Art Council Board of Directors, presented a request to lease County-owned property, along with their partners, the Michael Patricelli Craft Enrichment Program and the Community Music School. The property, located at 377 Shadowline Drive, was intended to establish the Blue Ridge ArtSpace which would house activities such as visual arts galleries, art and music classes, and a gift shop.

The proposed terms of the lease were presented as follows:

- **Premises:** 377 Shadowline Drive in Boone, NC.
- **Term:** The initial term would be for 5 years, with an option to renew every 5 years.
- **Rental Rate:** A nominal rate of \$1 per year.
- **Security Deposit:** Unless requested, there would be no security deposit.
- **Right of First Refusal:** For as long as WCAC is a tenant in the building, it would have the right to purchase the building if it is offered for sale.
- **Option to Purchase:** For as long as WCAC is a tenant, WCAC would have the option to purchase the property at fair market value, to be based on a valid appraisal.
- **Utility Bills:** WCAC would be responsible for all utilities associated with the premises.
- **Use of Premises:** The use of the premises shall be limited to meetings, events and activities that are typically associated with the operation of the WCAC as well as its co-tenants.
- **Tax and Insurance:** WCAC would be responsible for any ad valorem taxes assessed against the property or its contents and for maintaining liability insurance for its use of the building and will hold harmless and indemnify Watauga County for any claims associated with its use of the building.
- **Repairs by Landlord:** Watauga County shall be responsible for the following repairs and maintenance: The upkeep and maintenance of the exterior including the parking lot, exterior structural components, heat pumps, and grounds.
- **Repairs by Tenant:** WCAC shall be responsible for the following repairs and maintenance: The upkeep and maintenance of all aspects of the interior including cleaning and minor repairs.
- **Alterations:** WCAC shall be entitled to make alterations to the interior of the building provided they are approved in writing by the County, approval not to be unreasonably withheld.
- **Removal of Fixtures:** WCAC shall have the right to remove fixtures which they have installed for their own purposes at the end of the lease.
- **Assignment and Subletting:** WCAC shall have the right to sublet the space to non-profit organizations organized under the laws of North Carolina, which are operating in Watauga County, and which serve the citizens of Watauga County.

WCAC currently occupied space in a building donated by The Winkler Organization; however, that space has been leased and the Arts Council has been given until April 15, 2013, to vacate the premises. The WCAC also currently leased office space at the Appalachian Enterprise Center for \$195 per month. That lease was set to expire in May 2013.

County Attorney Eggers stated that there was a process to carry out when leasing County-owned property to a non-profit which included advertising the terms of the lease. The County Attorney stated that the Board could not guarantee a first right of refusal nor an option to purchase as the sale of the property would require the upset bid process.

Chairman Miller stated that he would like to see the WCAC be responsible for all repairs and maintenance, inside and outside of the building. The Chairman stated that the County should have final approval of any and all subleases. The Chairman also questioned whether the venue would meet Town of Boone codes.

Ms. Johnson clarified that the WCAC intended to partner with rather than sub-let to the Michael Patricelli Craft Enrichment Program and the Community Music School. Chairman Miller stated a preference to have each entity sign the lease with the County.

Based on the analysis for the County's current lease to the USDA, the going rate for office space was between \$10 and \$18 a square foot. The County has historically budgeted funds to the WCAC of which Chairman Miller questioned whether the lease could be in lieu of those funds. Ms. Johnson stated that those funds were used as a local match for grass roots grants.

With the WCAC having a vacate date of April 15, 2013, and the next Board of Commissioners meeting being April 16, 2013, discussion was held regarding the possibility of the WCAC being able to move boxes into the building prior to obtaining an official lease with the County.

County Attorney Eggers stated that a tenancy at will could be drawn as a Short Stop Gap Agreement which would allow the WCAC to move items into the building prior to official approval of the lease; however, the WCAC would have to vacate the property if the lease fell through.

County Manager Geouque stated that, although several people have inquired about and toured the building, no offers had been made to purchase the property. The building was in relatively good shape with a good roof but did require some regular maintenance.

[Clerk's Note: No action was taken regarding the Arts Council occupying the building prior to an official lease being approved at this time.]

Commissioner Yates, seconded by Commissioner Kennedy, moved to direct the County Attorney to draft a two-year lease with Watauga County Arts Council incorporating the concerns shared by the Commissioners to be presented at the April 16, 2013, Board meeting for consideration.

VOTE: Aye-5
Nay-0

PROPOSED AMENDMENTS TO THE WATAUGA COUNTY EMERGENCY OPERATIONS PLAN

Mr. Jeff Virginia, Communications and Emergency Services Director, presented proposed amendments to the Watauga County Emergency Operations Plan (EOP) originally adopted in 1998. Updates to the EOP include the removal of the Blowing Rock Police Department Communications Center, population changes based on recent census data, and the addition of several media outlets.

Chairman Miller stated that the mental health service provider needed to be changed to Daymark Recovery Systems and requested to add the High Country Press to the list of media outlets.

Commissioner Yates, seconded by Commissioner Welch, moved to approve the Watauga County Emergency Operations Plan as amended including listing Daymark Recovery Systems as the local mental health provider and adding High Country Press to the list of media outlets.

VOTE: Aye-5
Nay-0

PLANNING AND INSPECTIONS MATTERS

A. Acceptance of Community Development Block Grant (CDBG) 2012 Scattered Site Housing Program Grant Funds

Mr. Joe Furman requested acceptance of Community Development Block Grant (CDBG) funds in the amount of \$225,000 for the 2012 Scattered Site Housing Program. The Board had previously approved submitting the application for the funding.

Commissioner Kennedy, seconded by Vice-Chairman Blust, moved to accept the Community Development Block Grant (CDBG) 2012 Scattered Site Housing Program funds in the amount of \$225,000.

VOTE: Aye-5
Nay-0

B. Proposed Amendments to the Watauga County Sign Ordinance

Mr. Furman presented proposed amendments to the Watauga County Sign Ordinance as recommended by the Planning Board. The amendments included accommodating agricultural business signage in conjunction with recent proposed changes to the Farmland Preservation Plan.

Chairman Miller requested that additional consideration be given to amending Section E. 1. to allow billboards on off-site premises. Mr. Furman stated that the Ordinance was amended in 2009 banning future billboards; however, prior to that time the Ordinance had allowed billboards following North Carolina Department of Transportation guidelines.

Mr. Furman stated that the Board could recommend changes to the proposal, remand the ordinance back to the Planning Board for further consideration, or schedule a public hearing after which the ordinance could be adopted as presented or amended further.

Commissioner Yates, seconded by Commissioner Kennedy, moved to remand the Ordinance back to the Planning Board for further consideration regarding the provision for billboards following North Carolina Department of Transportation guidelines.

VOTE: Aye-5
Nay-0

TAX MATTERS

Tax Matters was tabled until the end of the meeting to allow for time to review the reports.

PROPOSED RESOLUTION TO PROTECT THE PARKS AND RECREATION TRUST FUND (PARTF)

Mr. Stephen Poulos, Parks and Recreation Director, presented a resolution requesting the North Carolina General Assembly maintain the dedicated revenues generated by the seventy-five cents deed stamp tax for the Parks and Recreation Trust Fund (PARTF). County projects such as Rocky Knob Park, Brookshire Park, the Watauga County Recreation Complex, and athletic facilities at the old high school site received funding through PARTF grants.

Commissioner Kennedy, seconded by Commissioner Welch, moved to adopt the resolution as presented by Mr. Poulos.

VOTE: Aye-5
Nay-0

BUDGET AMENDMENTS

Ms. Margaret Pierce, Finance Director, reviewed the following budget amendments:

Account #	Description	Debit	Credit
103586-332006	Senior Health Information Program		\$1,000
105550-449901	Senior Health Information Program	\$1,000	

The amendment recognized the receipt of North Carolina Senior Medicare Patrol (NCSMP) grand funds to conduct two (2) group education outreach events on how to read a Medicare Summary Notice.

Account #	Description	Debit	Credit
103612-361280	Special Programs		\$19,020
106128-412600	Salaries – Part Time	\$15,000	
106128-418100	FICA Expense	\$1,250	
106128-418600	Worker’s Comp.	\$315	
106128-431101	Travel – Contracted	\$1,150	
106128-439500	Employee Training	\$50	
106128-469500	Contracted Services	\$655	

The amendment recognized the increase in the enrollment of the Fun in the Sun summer camp and the associated revenues and expenditures.

Account #	Description	Debit	Credit
105911-470008	ADM – Hardin Park Roof		\$13,643
105911-470007	ADM – Parkway School Roof		\$10,150
103300-349910	NC ADM Capital Fund	\$23,793	
105911-470006	Cove Creek Roof Replacement		\$107
103300-349909	NC Lottery Funds	\$107	

The amendment reverted funds not needed on completed school capital projects funded with ADM or Lottery revenue per the Watauga County Board of Education report submitted to the NC DPI.

Commissioner Yates, seconded by Commissioner Welch, moved to approve the budget amendments as presented by Ms. Pierce.

VOTE: Aye-5
Nay-0

MISCELLANEOUS ADMINISTRATIVE MATTERS

A. Announcements

County Manager Geouque announced the following:

- Blue Ridge Electric Membership Corporation’s 2013 Community Leaders Council spring luncheon is scheduled for Thursday, April 11, 2013, at the Meadowbrook Inn in Blowing Rock at 12:00 P.M.
- The 2013 Watauga County Economic Development Summit is scheduled for Wednesday, April 17, 2013, from 1:00 to 5:00 P.M. at the Blowing Rock Art and History Museum in Downtown Blowing Rock.
- The Watauga County Tourism Development Authority is holding a Grand Opening for Rocky Knob Park on Saturday, April 27, 2013, from 1:00 P.M. to 5:00 P.M. The ceremony will begin at 3:30 P.M. and barbeque will be served at 4:00 P.M.
- Public hearings will be held on Tuesday, April 16, 2013, beginning at 6:00 P.M. to allow citizen comment on proposed amendments to the Watauga County Voluntary Farmland Preservation Program Ordinance as well as proposed amendments to the Watauga County Farmland Preservation Plan.
- A public hearing will be held on Tuesday, May 21, 2013, to allow citizen comment on the possible dissolution of the Social Services Board.

PUBLIC COMMENT

Mr. Mark Hagaman presented a petition asking the Board of Commissioners for a continuing ban on Sunday hunting; including bow, muzzleloader, and rifle hunting.

Dr. Andrew Mason shared concerns and requested that the Board of Commissioners not reallocate the distribution of sales tax.

Vice-Chairman Blust stated that the Governor and Secretary of Crime Control planned to visit Watauga County on April 17, 2013, to hold discussions regarding school safety. A meeting with local officials was scheduled at 4:15 P.M. in the cafeteria at Watauga High School. A Talking Forum was also scheduled from 5:30 to 7:30 P.M. in the High School auditorium to allow for comments from the public (parents, students, etc.)

Commissioner Welch announced that Dylan Russell, who attended Mabel School and Watauga High School, was recently elected as the Appalachian State University Student Government Association President.

CLOSED SESSION

At 9:48 A.M., Commissioner Kennedy, seconded by Commissioner Yates, moved to enter Closed Session to discuss Attorney/Client Matters, per G. S. 143-318.11(a)(3) and Land Acquisition, per G. S. 143-318.11(a)(5)(i).

VOTE: Aye-5
Nay-0

Commissioner Kennedy, seconded by Vice-Chairman Blust, moved to resume the open meeting at 10:37 A.M.

VOTE: Aye-5
Nay-0

POSSIBLE ACTION AFTER CLOSED SESSION

LAND PURCHASE

Chairman Miller stated that the Board had negotiated a contract with Ms. Deborah Earp Greene to purchase approximately one hundred ninety-nine (199+/-) acres on HWY 194 for an amount of \$1,700,000 with a due diligence period of five months for the potential development of a Class A Commerce Park.

County Attorney Eggers stated that the contract gave the County the discretion to withdraw from the purchase during the five-month due diligence period and receive back the \$50,000 earnest money held in a trust fund with Eggers, Eggers, Eggers & Eggers Law Firm, PLLC. Unless the County withdrew during the five-month period, the sale of the property had to be closed with in thirty days after the completion of the due diligence period.

After discussion, Commissioner Yates, seconded by Vice-Chairman Blust, moved to approve the contract with Deborah Earp Greene for the purchase of the property in Deed Reference Book

1524, Page 211, Watauga County consisting of approximately 199 acres as presented including a purchase amount of one million seven hundred thousand dollars (\$1,700,000) with fifty thousand dollars (\$50,000) in earnest money with all funds to be allocated from the County’s unassigned fund balance.

After further discussion, the following vote was taken:

VOTE: Aye-5
Nay-0

Commissioner Welch, seconded by Commissioner Kennedy, moved to authorize staff to begin the due diligence process on the Deborah Earp Greene property.

VOTE: Aye-5
Nay-0

TAX MATTERS

A. Monthly Collections Report

Tax Administrator Larry Warren presented the Tax Collections Report for the month of March 2013. This report was presented for information only and, therefore, no action was required.

B. Refunds and Releases

Mr. Warren presented the following Refunds and Releases for March 2013 for Board approval:

TO BE TYPED IN MINUTE BOOK

Commissioner Yates, seconded by Vice-Chairman Blust, moved to approve the Refunds and Releases Report for March 2013, as presented.

VOTE: Aye-5
Nay-0

ADJOURN

Commissioner Yates, seconded by Vice-Chairman Blust, moved to adjourn the meeting at 10:54 A.M.

VOTE: Aye-5
Nay-0

Nathan A. Miller, Chairman

ATTEST:

Anita J. Fogle, Clerk to the Board

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AGENDA ITEM 3:

APPROVAL OF THE APRIL 16, 2013, AGENDA

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AGENDA ITEM 4:

**REQUEST FOR APPROVAL OF THE WATAUGA COUNTY COMPREHENSIVE
TRANSPORTATION PLAN**

MANAGER'S COMMENTS:

Mr. Phil Trew, High Country Council of Governments Planning Director, presented to the Board at the April 2, 2013 meeting background and details of the Watauga County Comprehensive Transportation Plan (CTP). The presentation highlighted the major points of interest. Two (2) drop-in sessions were conducted by NCDOT with one being held at the Commissioners Board Room and the other at the High Country Council of Governments Office. The Watauga County Economic Development Commission has endorsed the plan as presented.

Mr. Trew will request the Board approve the resolution enclosed to adopt the Comprehensive Transportation Plan for Watauga County.

Board action is requested to adopt the plan and resolution as presented.

Watauga County Comprehensive Transportation Plan (CTP) Overview

Steering Committee

A Steering Committee in collaboration with Watauga County was formed to assist the North Carolina Department of Transportation (NCDOT) staff in the development of the Watauga County Comprehensive Transportation Plan (CTP). The Steering Committee included elected officials, stakeholders, and staff from the towns of Boone, Blowing Rock, Seven Devils, Beech Mountain, and Watauga County as well as Appalcart, the Chamber of Commerce, the Blue Ridge Conservancy, Appalachian State University and the High Country Rural Planning Organization

Methodology

A Comprehensive Transportation Plan (CTP) is developed to ensure that the progressively developed transportation system will meet the needs of the region for the planning period.

In the development of this plan, travel demand was projected from 2010 to 2040 using both a travel demand model and a trend line analysis. A travel demand model for the Boone urban area was developed to replicate travel patterns on the existing transportation system as well as to estimate travel patterns for 2040. Outside of the urban area travel demand was projected using a trend line analysis based on Annual Average Daily Traffic (AADT) from 1990 to 2010. Local plans including the Boone 2030 Land Use Plan, Citizens Plan for Watauga, Boone Pedestrian Plan, Beech Mountain Land Use Plan, Blowing Rock Comprehensive Plan, Seven Devils Comprehensive Land Use Plan, and the Appalachian State University Campus Master Plan as well as growth data endorsed by the county and municipalities in November 2011 were used to develop future growth rates and patterns. The future growth rates are based on a projected population of 80, 511 and projected employment of 36,230 by 2040. Population trends were estimated using data from the Office of State Budget (OSBM). Future employment conditions were developed from the CTP steering committee input and discussions. This included approximate locations and intensity for proposed employment centers which in turn was incorporated into projected traffic volumes. Census data, Annual Average Daily Traffic (AADT) and traffic modeling were also used to develop the CTP. *Please refer to CTP Appendix I for detailed information.*

Roadway System Analysis

Existing and future travel demand is compared to roadway capacities. Capacity deficiencies occur when the traffic volume of a roadway exceeds the roadway's capacity. The relationship of travel demand compared to the roadway capacity determines the level of service (LOS) of a roadway.

LOS D indicates "practical capacity" of a roadway, or the capacity at which the public begins to experience delay. Recommended improvements and overall design of the CTP were based upon achieving a minimum LOS D on existing facilities and a LOS C for new facilities.

A crash analysis was performed for the Watauga County CTP for crashes occurring in the planning area between January 1, 2006 and December 31, 2008 to identify locations with congestion and other road way problems.

Major Recommendations for Improvements

There are a total of twenty-one road projects and nine minor widening improvements recommended in the CTP. *Major recommendations include the following:*

- **US 321-421** – Widening to a four lane divided facility from the NC 105 BYP to US 321 in Vilas
- **NC 194 North** – Widening to a four lane boulevard from US 221-421 to Howards Creek Road
- **NC 105 South** – Widening to a four lane facility with median from NC 105 BYP to Avery County
- **US 421 Bypass** – A Bypass south of Boone from 421-221 to 421-321
- **US 221 North** – Widening to a four lane boulevard from US 421 in Deep Gap into Ashe County
- **NC 105 Bypass** – Widening to a three lane facility from NC 105 to US 321-421

Please refer to CTP pages II-3 to II-23 and Appendix C (C-3 to C9) of the CTP for detailed information. Typical highway cross sections are located in CTP Appendix D (D-2 to D-8).

Consideration of Natural and Human Environment

Development of recommendations and considerations included in the CTP include the following: *Colleges and Universities, Federal Land Ownership, High Quality Water and Outstanding Resource Water Management Zones, Hospital Locations, National Wetlands Inventory, Recreation Projects, Schools, Trout Streams and Water Supply Watersheds.*

Unaddressed Deficiencies

The following deficiencies were identified during the development of the CTP, but they remain unaddressed.

- 1) US 321-421 (King Street) from US 321 (Hardin Street) to Hodges Gap Road (SR 1104) in downtown Boone is currently over capacity. Because of physical constraints, no method of improvement was found to be acceptable to Boone at this time.
- 2) US 321 BUS from US 221 to Globe Road (SR 1537) in downtown Blowing Rock is projected to be over capacity by 2040. Because of physical constraints, no method of improvement was found to be acceptable to Blowing Rock at this time.
- 3) A small section of Deerfield Road (SR 1522) is projected to be over capacity by 2040. This section begins at the intersection with State Farm Road, and extends 250 feet to the northeast. The primary cause of this congestion is the reduced capacity resulting from a 25 mph speed limit around Watauga County Hospital.

Public Transportation

During the development of the CTP, one new route between Boone and Blowing Rock utilizing US 321 was identified as a strategic new expansion as well as the identification of seven locations for potential park and ride lots for AppalCART. *Please refer to CTP pages II-23 to II-24 and Appendix C (C-10) for detailed information.*

Bicycle Element

The CTP identified improvements to thirty-three existing roadway facilities to accommodate bicycles. *Please refer to CTP pages II-25 to II-26 and Appendix C (C-11 to C-13) for detailed information.*

Pedestrian Element

The CTP identified nine new pedestrian facilities, one improvement to an existing facility and one new off road facility. *Please refer to CTP page II-26 and Appendix C (C-11 to C-13) for detailed information.* The CTP also includes recommendation of the Middle Fork Greenway, a multi-use path connecting Boone and Blowing Rock.

WATAUGA COUNTY

DRAFT

STATE OF NORTH CAROLINA

After further discussion and review, upon a motion of _____, seconded by _____ and, upon being put to a vote, was carried _____, the Commissioners approved the following resolution:

**Resolution Adopting A
Comprehensive Transportation Plan
For Watauga County, North Carolina**

WHEREAS, Watauga County and the Transportation Planning Branch, North Carolina Department of Transportation actively worked to develop a comprehensive transportation plan for Watauga County; and

WHEREAS, the County and the Department of Transportation are directed by North Carolina General Statutes 136-66.2 to reach agreement for a transportation system that will serve present and anticipated volumes of traffic in the County; and

WHEREAS, it is recognized that the proper movement of traffic within and through Watauga County is a highly desirable element of the comprehensive plan for the orderly growth and development of the County; and

WHEREAS, after full study of the plan, and following a public hearing, the Watauga County Board of Commissioners feel it to be in the best interest of Watauga County to adopt a plan pursuant to General Statutes 136-66.2.

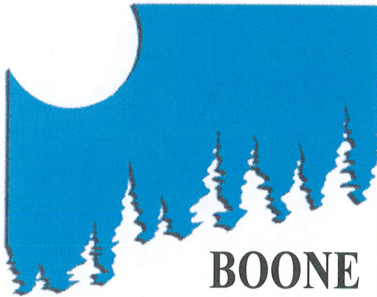
NOW, THEREFORE, BE IT RESOLVED that the Watauga County Comprehensive Transportation Plan as shown on a map dated August 2, 2012, be approved and adopted as a guide in the development of the transportation system in Watauga County and the same is hereby recommended to the North Carolina Department of Transportation for its subsequent adoption.

ADOPTED this the _____ day of _____, 2013

Nathan A. Miller, Chairman
Watauga County Board of Commissioners

ATTEST:

Anita J. Fogle, Clerk to the Board



**BOONE
BLOWING ROCK**

Watauga County Office of
Economic Development

phone (828) 264-3082

fax (828) 265-8080

tty use 711

P.O. Box 404
Boone, North Carolina 28607

www.WataugaEDC.org

March 15, 2013

Mr. Nathan A. Miller
Chairman
Watauga County Board of Commissioners
814 West King Street
Boone, NC 28607

Dear Chairman Miller,

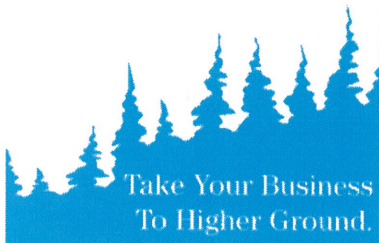
This is to convey the support of the Watauga County Economic Development Commission for the draft Watauga County Comprehensive Transportation Plan (CTP) in its entirety, including the proposed bypass. The efficient movement of people, goods and services is a cornerstone of a healthy local economy. The CTP used computer modeling of population, employment and resulting traffic projections to identify transportation system deficiencies to the year 2040. It is imperative that these deficiencies be addressed by the projects identified in the plan. The CTP is a long-range strategic plan, to be revisited and updated during the planning period as conditions change. The inclusion of a bypass in this type of overall plan is certainly warranted.

We also believe the bypass to be very important to the economic growth prospects for the western part of Watauga County, by not only improving traffic flow for residents of the area, but also by making it more accessible to residents of Boone and the eastern part of the county and to tourists.

The CTP is not a funding document, nor does it set priorities. The Commissioners, if you choose to adopt the plan, retain the discretion to decide which of the proposed projects and in what order to prioritize and seek funding for in the State Transportation Improvement Program (STIP). It is the recommendation of the EDC that the Board of Commissioners adopt the plan as presented. Thank you.

Sincerely,

Keith Honeycutt
Chairman



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AGENDA ITEM 5:

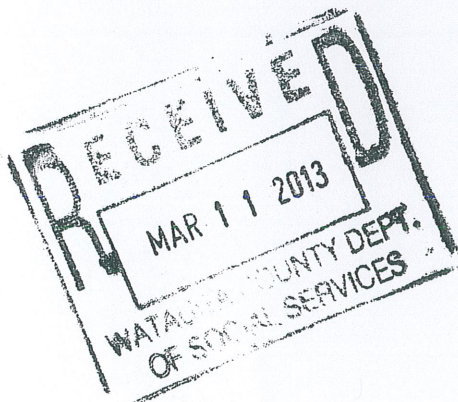
CLAYBOUGH FOUNDATION GRANT REQUEST

MANAGER’S COMMENTS:

At the February 19, 2013, regularly scheduled meeting, the Board authorized Ms. Angela Volpe, Social Worker, to apply for a \$3,000 grant from the Claybough Foundation. The grant would be used in the Department of Social Services’ Adult Services Emergency Fund to meet crisis situation needs, such as medical, housing, transportation, etc.

The County was notified of the grant award and Mr. Jim Atkinson, Social Services Director, will request the Board accept the \$3,000 grant from the Claybough Foundation. No local match is required.

Board action is required to accept the grant from the Claybough Foundation in the amount of \$3,000.



Frank B. Gibb, III, Chairman
Carole L. Spainhour, Trustee
Katy T. Clabough, Trustee
Thomas M. Clabough, Trustee
Marie M. Weingartner, Trustee

March 7, 2013

Mr. Jim Atkinson, MSW
Director
Watauga County Department of Social Services
132 Poplar Grove Connector – Suite C
Boone, NC 28607

Dear Mr. Atkinson,

The Trustees of the Clabough Foundation have reviewed the grant application from the Watauga County Department of Social Services and have awarded a grant in the amount of \$3,000 in support of your Adult Services Emergency Fund.

Enclosed are two copies of the Foundation's grant agreement. Please sign and return one copy of the enclosed.

We would appreciate it if you could provide a link on your website to the Clabough Foundation website www.claboughfoundation.com Also, please note the reporting requirement in the Agreement and, if there are any articles about your program that mention the Foundation or the grant, please include a copy of those in your report.

We will send a check to fund the grant shortly after the receipt of your signed agreement. We are glad to be of help in supporting your worthwhile efforts.

Sincerely,

Frank B. Gibb, III
Chairman

Enclosures



Frank B. Gibb, III, Chairman
Carole L. Spainhour, Trustee
Katy T. Clabough, Trustee
Thomas M. Clabough, Trustee
Marie M. Weingartner, Trustee

Watauga County Department of Social Services agrees to the following terms and conditions of this Grant Agreement with the Clabough Foundation:

1. To use the Clabough Foundation's grant of \$3,000 to fund the Adult Services Emergency Fund. This grant is for the period January 2013 through December, 2013. **Please notify us if any portion of the grant is not spent for this purpose exclusively. We may ask that it be returned to the Foundation.**
2. To provide a final accounting and report on the project by February 1, 2014. This report should include an itemized list of grant funds expended, showing dates, amounts and payees.
3. To indicate the grant funds separately on the books of account, charge grant-related expenditures to the grant account, keep records adequate to enable the Foundation to easily determine the use of grant funds and, if requested, make books and records available for inspections by officers and representatives of the Foundation at reasonable times and upon advance notice. (This particularly applies if funds are restricted to a specific project or items.)
4. To provide a "link" from your organization's website (if any) to our website if possible. Please note that the website address is www.claboughfoundation.com.
5. To provide the Foundation with a copy of any press release or any news articles about your organization which mention this grant.
6. To inform the Foundation immediately of any changes in tax exempt status under Section 501(c)(3) of the U.S. Internal Revenue Code.

This Clabough Foundation grant is subject to review and modification and may be canceled should performance suggest such an action. This grant does not obligate the Foundation to provide the recipient with any additional support.

Agreed and Accepted By:



FRANK B. GIBB III
Chairman, Clabough Foundation



JIM ATKINSON
Director,
Watauga Co. Department of Social Services

DATE: March 7, 2013

DATE: March 13, 2013

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AGENDA ITEM 6:

PROPOSED 2013 HOME AND COMMUNITY CARE BLOCK GRANT (H&CCBG)
FUNDS REDUCTION AND BUDGET REVISION REQUESTS

MANAGER'S COMMENTS:

The Watauga County Project on Aging was notified by the High Country Area Agency on Aging that the County's Home and Community Care Block Grant Allocation for the FY 2013 was to be reduced by \$3,302 due to the Federal Government's Sequestration. Congregate nutrition, home delivered meals, and Title III-B services were reduced \$1,467, \$489, and \$1,346, respectively.

Ms. Angie Boitnotte, Project on Aging Director, will be on hand to discuss the cuts and the necessary course of action.



Watauga County Project on Aging

132 Poplar Grove Connector, Suite A • Boone, North Carolina 28607

Website: www.wataugacounty.org/aging angie.boitnotte@watgov.org

Telephone 828-265-8090 Fax 828-264-2060 TTY 1-800-735-2962 Voice 1-800-735-8262 or 711

MEMORANDUM

TO: Deron Geouque, County Manager

FROM: Angie Boitnotte, Director

DATE: April 9, 2013

SUBJ: Request for Board of County Commissioners' Consideration: Reduction of FY 2013 HCCBG funds and FY 2013 HCCBG Budget Revision

We were notified by the High Country Area Agency on Aging that Watauga County's Home and Community Care Block Grant Allocation for FY 2013 was decreased by \$3,302 due to the Federal Government's Sequestration. The Federal allocation reductions were made to Congregate Nutrition, Home Delivered Meals, and Title III-B Services (Transportation and IHA). The specific service reduction amounts to Watauga County are as follows:

- Congregate Nutrition - \$1,467
- Home Delivered Meals - \$489
- Title III-B - \$1,346

The Title III-B amount of \$1,346 could be taken from IHA or Transportation Services. I reduced the IHA I allocation by the entire Title III-B reduction.

I plan to be present for discussion or questions.

NAME AND ADDRESS	Home and Community Care Block Grant for Older Adults	
COMMUNITY SERVICE PROVIDER	County Funding Plan	DOA-732 (Rev. 2/12)
Watauga County Project on Aging		County: <u>Watauga</u>
132 Poplar Grove Connector, Suite A		July 1, 2012 through June 30, 2013
Boone, NC 28607	Provider Services Summary	REVISION # 2, DATE: 4/5/13

Services	Ser. Delivery		A				B	C	D	E	F	G	H	I
	(Check One)		Block Grant Funding				Required	Net*	NSIP	Total	Projected	Projected	Projected	Projected
	Direct	Purch.	Access	In-Home	Other	Total	Local Match	Serv Cost	Subsidy	Funding	HCCBG Units	Reimburse. Rate	HCCBG Clients	Total Units
In-Home Aide I	X			95,197		\\\\\\\\\\\\\\\\\\\\	10,577	105,774	0	105,774	5,849	18.0833	170	20,520
In-Home Aide II	X			24,878		\\\\\\\\\\\\\\\\\\\\	2,764	27,642	0	27,642	1,529	18.0836	25	5,130
Congregate Meals	X				42,328	\\\\\\\\\\\\\\\\\\\\	4,703	47,031	10,000	57,031	7,814	6.0187	475	19,250
Home Delivered Meals	X				80,278	\\\\\\\\\\\\\\\\\\\\	8,920	89,198	13,000	102,198	14,612	6.1044	200	32,000
Transportation		X	12,798			\\\\\\\\\\\\\\\\\\\\	1,422	14,220	0	14,220	3,125	4.5504	30	8,090
						\\\\\\\\\\\\\\\\\\\\								
						\\\\\\\\\\\\\\\\\\\\								
						\\\\\\\\\\\\\\\\\\\\								
						\\\\\\\\\\\\\\\\\\\\								
						\\\\\\\\\\\\\\\\\\\\								
Total	\\\\\\\\\\\\\\\\	\\\\\\\\\\\\\\\\	12,798	120,075	122,606	255,479	28,386	283,865	23,000	306,865	32,929	\\\\\\\\\\\\\\\\\\\\\\\\\\\\	900	84,990

***Adult Day Care & Adult Day Health Care Net Service Cost**

	ADC	ADHC	
Daily Care	_____	_____	Certification of required minimum local match availability. _____ Required local match will be expended simultaneously with Block Grant Funding.
Transportation	_____	_____	
Administrative	_____	_____	
Net Ser. Cost Total	_____	_____	

_____ Signature, County Finance Officer Date	_____ Authorized Signature, Title Community Service Provider Date
_____ Signature, County Finance Officer Date	_____ Signature, Chairman, Board of Commissioners Date

Subject: FW: SEQUESTER REDUCTIONS!

Importance: High

From: Tonia Cook [<mailto:tcook@regiond.org>]

Sent: Thursday, April 04, 2013 12:57 PM

To: Karon Edwards; Patricia Calloway; Mary Owen; Philip Adams; Kathy Garland; Angie.Boitnotte; Mary Edna Faw; Suzanne Hanlin; Jennifer Snider; Vivian Hollifield

Cc: Deron.Geouque; Pat Mitchell; Charles Vines; Don Adams; John Yates; Nathan Bennett; Robert Wiseman; Rick Herndon; Beth Norris; Melanie Johnstone

Subject: SEQUESTER REDUCTIONS!

Importance: High

Anita and I have received the **CURRENT FISCAL YEAR's Sequester Reductions (FY 2013)** for the Congregate, HDM and Title III-B Services. I have detailed them below.

	Program Cuts by Fund Source:			
	Congregate	HDM	Title III-B	Total Cut
Alleghany Co.	- \$ 757	- \$ 252	- \$ 695	-\$1,704
Ashe Co.	- \$1,498	- \$ 499	- \$ 1,374	-\$3,371
Avery Co.	- \$1,012	- \$ 337	- \$ 928	-\$2,277
Mitchell Co.	- \$ 926	- \$ 308	- \$ 850	-\$2,084
Watauga Co.	- \$ 1,467	- \$ 489	- \$ 1,346	-\$3,302
Wilkes Co.				
BROC	- \$ 3,698	- \$ 1,232	- \$ 132	-\$5,062
Wilkes Sr. Res.	---	---	- \$ 2,927	-\$2,927
RPB ADC	---	---	- \$ 334	-\$334
			WILKES COUNTY TOTAL	-\$8,323
Yancey Co.	- \$ 1,071	- \$357	- \$ 982	-\$2,410

These cuts represent a total of \$23,471 for Region D services.

You will need to schedule to be on the next commissioner's meeting agenda, as this must be expedited ASAP.

Please share a DRAFT of your 732 PRIOR to submitting it to the county so that we can avoid any issues/corrections! Note that although **you will NOT be able to move funds to and from Congregate and HDM Services. HOWEVER, you will be allowed to move funds within Title III-B Services** (HHI, Transportation, IHA, ADC, ADHC, Senior Center Operations) **BUT you MUST keep your Total III-B budget exactly the same as it is today** (grand total of title III-B). If you have any questions, please let me know.

Thank you!

Tonia Cook

Contracts Manager/Aging Program Coordinator

AGENDA ITEM 7:

PRESENTATION OF SMOKY MOUNTAIN CENTER QUARTERLY REPORTS

MANAGER'S COMMENTS:

Ms. Margaret Pierce, Finance Director, will present the Smoky Mountain Center Quarterly Reports as required by Statute.

No action is required.



WATAUGA COUNTY FINANCE OFFICE

814 West King St., Room 216 - Boone, NC 28607 - Phone (828) 265-8007 Fax (828) 265-8006

MEMORANDUM

TO: Deron Geouque, County Manager

FROM: Margaret Pierce, Finance Director

SUBJECT: Smoky Mountain Center Quarterly Reports

DATE: April 9, 2013

Attached is a copy of the quarterly fiscal monitoring report (FMR) from Smoky Mountain Center for the quarter ended March 31, 2013. This fiscal monitoring report was provided by Smoky Mountain Center to comply with the G.S. 122C-117(c).

excerpt from G.S. 122C-117(c)

(c) Within 30 days of the end of each quarter of the fiscal year, the area director and finance officer of the area authority shall provide the quarterly report of the area authority to the county finance officer. The county finance officer shall provide the quarterly report to the board of county commissioners at the next regularly scheduled meeting of the board. The clerk of the board of commissioners shall notify the area director and the county finance officer if the quarterly report required by this subsection has not been submitted within the required period of time. This information shall be presented in a format prescribed by the county. At least twice a year, this information shall be presented in person and shall be read into the minutes of the meeting at which it is presented. In addition, the area director or finance officer of the area authority shall provide to the board of county commissioners ad hoc reports as requested by the board of county commissioners.

Smoky Mountain Center
44 Bonnie Lane
Sylva, NC 28779



Area Administrative Office
828-586-5501
www.smokymountaincenter.com

*Rec'd 4/1/13
mp*

March 25, 2013

Dear County Finance Officer:

Enclosed you will find Smoky Mountain Center's fiscal monitoring report (FMR) for the quarter ended December 31, 2012.

To remind all Finance Officers: S.L. 2006-142 amended G.S. 122C-117(c) to require the Area Director and Area Authority Finance Officer to submit quarterly finance reports to the County Finance Officer, instead of submitting to each member of each board of County Commissioners participating in the Area Authority. The County Finance Officer is then to submit the report to the Board of County Commissioners at its next regularly scheduled meeting.

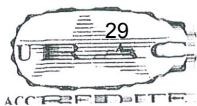
This FMR is the financial report intended to be provided to comply with the general statutes.

If you have any questions regarding the enclosed reports, please e-mail Lisa Slusher, Finance Officer, at: lisa@smokymountaincenter.com; or Sherri Hayes, Accounting Manager, at: sherri@smokymountaincenter.com.

Sincerely,

Sherri L. Hayes, BS
Financial Analyst
Smoky Mountain Center

Enclosure



Quarterly Fiscal Monitoring Report - DMHDDSAS

LME / MCO NAME:

SMOKY MOUNTAIN CENTER

FOR THE PERIOD ENDING:

12/31/2012

of month in the fiscal year (July = 1, August = 2, . . . , June = 12) =====>

6

041613 BCC Meeting

1. REPORT OF BUDGET VS. ACTUAL

Basis of Accounting: (check one)	Cash X	PRIOR YEAR		CURRENT YEAR		ANNUALIZED PERCENTAGE **	
		2011-2012		ACTUAL			BALANCE (Col. 3-4)
		(1) BUDGET	(2) ACTUAL	(3) BUDGET	(4) YR-TO-DATE		
REVENUE							
Service Fees from LME-Delivered Services		-	(1,601)	-	(1,135)	1,135 #DIV/0!	
Medicaid Pass Thru		8,435,000	8,459,183	1,575,000	669,759	905,241 85.05%	
Interest Earned		10,000	22,485	33,000	27,461	5,539 166.43%	
Rental Income		-	-	-	-	-	
Budgeted Fund Balance * (Detail in Item 4, below)		5,738,620	-	125,000	-	125,000 0.00%	
Other Local		868,161	814,180	950,920	522,120	428,800 109.81%	
Total Local Funds		15,051,781	9,294,247	2,683,920	1,218,205	1,465,715 90.78%	
County Appropriations (by county, includes ABC Funds):							
Alexander County		43,225	39,535	43,225	9,456	33,769 43.75%	
Caldwell County		113,538	118,527	113,538	59,153	54,385 104.20%	
McDowell County		67,856	67,856	67,856	33,928	33,928 100.00%	
Cherokee County		75,000	75,000	75,000	37,500	37,500 100.00%	
Clay County		10,000	10,000	10,000	2,500	7,500 50.00%	
Graham County		6,000	6,000	6,000	-	6,000 0.00%	
Haywood County		116,775	115,036	96,775	8,730	88,045 18.04%	
Jackson County		123,081	123,081	123,081	30,770	92,311 50.00%	
Macon County		106,623	106,623	106,623	53,312	53,311 100.00%	
Swain County		30,125	30,934	30,125	15,320	14,805 101.71%	
Ashe County		189,566	189,566	189,566	46,342	143,224 48.89%	
Avery County		92,400	92,400	89,600	44,800	44,800 100.00%	
Alleghany County		115,483	115,483	109,709	27,427	82,282 50.00%	
Watauga County		221,194	221,194	221,194	110,597	110,597 100.00%	
Wilkes County		259,200	259,200	254,200	68,794	185,406 54.13%	
Special Appropriations		1,119,913	1,119,913	-	-	-	
Total County Funds		2,689,979	2,690,348	1,536,492	548,629	987,863 71.41%	
LME Systems Admin. Funds (Cost Model)		7,122,715	7,122,715	-	-	-	
DMH/DD/SAS Administrative Funds (% basis)		-	-	3,329,158	1,664,579	1,664,579 100.00%	
DMH/DD/SAS Risk Reserve Funds (% basis)		-	-	485,215	242,607	242,608 100.00%	
DMH/DD/SAS Services Funding		27,295,503	26,227,672	26,196,078	13,475,710	12,720,368 102.88%	
DMA Capitation Funding		-	-	117,938,442	59,756,413	58,182,029 101.33%	
DMA Risk Reserve Funding		-	-	2,406,907	1,219,519	1,187,388 101.33%	
All Other State/Federal Funds		1,793	1,450	-	-	-	
Total State and Federal Funds		34,420,011	33,351,837	150,355,800	76,358,828	73,996,972 101.57%	
TOTAL REVENUE		52,161,771	45,336,432	154,576,212	78,125,662	76,450,550 101.08%	
EXPENDITURES:							
System Management/Administration/Care Coordination		7,582,715	7,344,564	22,143,085	7,469,521	14,673,564 67.47%	
LME Provided Services		1,430,044	1,108,184	1,314,564	642,184	672,380 97.70%	
Provider Payments		39,350,851	37,459,047	130,286,552	67,964,724	62,321,828 104.33%	
Merger Expenses		-	-	-	-	-	
MCO Start-Up Expenses		2,770,000	2,013,870	-	-	-	
All Other		1,028,161	715,737	832,010	443,403	388,607 106.59%	
TOTAL EXPENDITURES		52,161,771	48,641,402	154,576,211	76,519,832	78,056,379 99.01%	
CHANGE IN CASH BALANCE			(3,304,970)		1,605,830		
Beginning Unrestricted Fund Balance			4,220,978		5,017,643		
Balance in DMH/DD/SAS Risk Reserve			-		-		
Balance in DMA Risk Reserve			-		-		
Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures		9.62%	5,017,643	4.29%	6,623,940		
2. CURRENT CASH POSITION							
		(1)	(2)	(3)	(4)	(5)	
		30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS	TOTAL	
Accounts Payable (Accrual Method)		3,500,909	77,882	131,271	465,038	\$ 4,175,100	
Account Receivable (Accrual Method)		2,415,652	597,615	451,049	724,755	\$ 4,189,071	
Current Cash in Bank		24,866,521					
3. SERVICE EXCEPTIONS (Provided Based on System Capability)							
Services authorized but not billed		9,796,044					
4. DETAIL ON BUDGETED FUND BALANCE							
		Budgeted	Year-to-Date	Balance		%	
Payments to Providers						#DIV/0!	
MCO Start-up Expense						#DIV/0!	
LME Merger Expense						#DIV/0!	
Other (List): Legal Fees		125,000	125,000			200.00%	
Other (List):						#DIV/0!	

* We certify (a) this report to contain accurate and complete information, (b) explanations are provided for any expenditure item with an annualized expenditure rate greater than 110% and for any revenue item with an annualized receipt rate of less than 90%, and (c) a copy of this report has been provided to each county manager in the catchment area.

B.S.O.
 3/13/13
 K. D. Smoke
 2/23/13
 K. J. Smith
 3-14-13

LME / MCO Director Date LME/MCO Finance Officer Date Area Board Chair Date 30

cc: County Manager for each county within the catchment area.

Division of Mental Health, Developmental Disabilities & Substance Abuse Services
Quarterly Fiscal Monitoring Report - Explanation of Revenue and Expenditure Variances
enter LME name **SMOKY MOUNTAIN CENTER** **Local Management Entity**
 for the period ending: **December 31, 2012**

ITEM	Explanation
Revenues	
Service Fees from LME Delivered	No budget for these revenues as SMC no longer provides billable services. Small dollars are due to run out/clean up of IPRS issues and Accounts Receivable.
Medicaid Passthrough - 85.05%	Expected passthrough claims submission less than anticipated. Reviewing budget for potential amendment.
Alexander County - 43.75%	2nd qtr. Payment not received. County commitments under review.
Clay County - 50.00%	2nd qtr. Payment not received. County commitments under review.
Graham County - 0%	The county's habit is to pay the entire amount in the 4th Qtr of the fiscal year.
Haywood County - 18.04%	The county reinstated part of their MOE - reinstated payments expected in 3rd qtr.
Jackson County - 50.00%	2nd qtr. Payment not received. County commitments under review.
Ashe County - 48.89%	2nd qtr. Payment not received. County commitments under review.
Alleghany County - 50.00%	2nd qtr. Payment not received. County commitments under review.
Wilkes County - 54.13%	2nd qtr. Payment not received. County commitments under review.
Expenditures	N/A
Fund Balance	
Other Fund Bal. Appropriations-legal	The bulk of the Legal fees budgeted occurred in the 1st and 2nd Qtr of the fiscal year.
Prior Year Reporting	Prior year numbers updated to reflect audited financial statements.

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AGENDA ITEM 8:

BOARD OF EQUALIZATION AND REVIEW (E&R) SCHEDULE

MANAGER'S COMMENTS:

Mr. Larry Warren will discuss the scheduling of the FY 2013 Board of Equalization and Review (E&R). The Board may create a special Board of Equalization and Review that will serve this spring. Last year, during the revaluation process, the Board was incorporated to include the Manager as an alternate member.

Staff requests the Board approve the schedule for FY 2013 Board of Equalization and Review as presented. In addition, direction is requested as to whether the Board wishes to create a special board for E&R or if the Board of County Commissioners plans to serve in that capacity. Should the Board wish to have the County Manager serve as an alternate member the attached resolution would need to be adopted.

Board action is required.



WATAUGA COUNTY TAX ADMINISTRATION

*Courthouse, Suite 21 – 842 West King Street – Boone, NC 28607 – (828) 265-8036
FAX (828) 265-8140*

MEMORANDUM

TO: Deron T. Geouque
FROM: Larry D. Warren
SUBJECT: 2013 Board of Equalization and Review
DATE: 4/11/13

I will want to present to the Board the meeting dates for the 2013 Board of E&R. I will need to present the dates/times at the Board's April 16th meeting.

Dates and times for Board of E&R approval are as follows:

Convene on Monday, April 29th at 4:00 pm.
Adjourn for the taking applications on Wednesday, May 6th at 7 p.m.

Meeting times:	April 29 th	2013 4.00 pm-7:00 pm
	April 30 th	2013 4:00 pm-7:00 pm
	May 6 th	2013 4.00 pm-7:00 pm

The above dates and times will be advertised locally prior to the first meeting. The convening and adjourning dates for the 2013 Board of E&R is the official time for the taking of applications for hearing of the property tax appeals. Compensation for the 2013 Board of E&R will also need to be approved. The member compensation for the past several years has been set at \$75.00 per session. Please let me know if you have questions.

COUNTY OF WATAUGA

STATE OF NORTH CAROLINA

DRAFT

**RESOLUTION ESTABLISHING
WATAUGA COUNTY BOARD OF EQUALIZATION AND REVIEW**

WHEREAS, North Carolina General Statutes Section 105-322 authorizes the Board of County Commissioners by resolution to appoint a special Board of Equalization and Review to hear and review appeals of listings and valuations placed upon taxable property located within Watauga County; and

WHEREAS, this Board desires to establish a Board of Equalization and Review to perform those duties specified in G.S. 105-322

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR THE COUNTY OF WATAUGA AS FOLLOWS:

That this Board hereby establishes a Board of Equalization and Review as follows:

MEMBERSHIP:

1. Shall consist of the 5 member County Commissioners, each having one vote.
2. Three members shall constitute a quorum.
3. One alternate shall be appointed consisting of the County Manager.
4. The alternate shall only serve to meet a quorum of the Board for a scheduled Board of Equalization and Review meeting.

POWERS AND DUTIES:

The powers and duties of this Board shall be as specified in NCGS 105-328 and Article 21 of the Machinery Act.

ADOPTED by the Watauga County Board of Commissioners this, the 16th day of April, 2013.

Nathan Miller, Chairman
Watauga County Board of Commissioners

ATTEST:

Anita J. Fogle, Clerk to the Board

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AGENDA ITEM 9:

PUBLIC HEARINGS

A. To Allow Citizen Comment on Proposed Amendments to the Watauga County Farmland Preservation Plan

MANAGER'S COMMENTS:

A public hearing has been scheduled to seek citizen input regarding the amendments to the Watauga County Farmland Preservation Plan. As directed by the Board, Mr. Hamilton, Cooperative Extension Director, formed an ad hoc committee to review the plan and recommend changes. Mr. Hamilton presented the changes and recommendations to the Board at a previous meeting.

After the close of the public hearing, the Board may adopt the plan as presented, incorporate changes recommended at the hearing, or schedule a work session to discuss additional changes.

Staff seeks direction from the Board.

Summary of Farmland Preservation Plan Edits (Process & Specifics)

In late February, 2011, the Board of Commissioners at that time (Gable, Deal, Blust, Futrelle, Miller) charged Cooperative Extension to form an ad hoc committee to review the AGRICULTURAL DEVELOPMENT AND FARMLAND PRESERVATION PLAN FOR WATAUGA COUNTY. There was some contention in the language and scope of the original plan and some misgivings from some members of the community in how the plan's development was funded and who the plan would most benefit. Over the following months, Jim Hamilton (Extension Director), invited several members/leaders representing the different agricultural commodities and interests in the county to solicit their input and feedback to amend the document. They were chosen based on their knowledge of agriculture in the county, expertise in particular commodities, understanding of county governance, and affiliation with farmer groups in the county. Members of the ad-hoc committee included:

- Bill Moretz (at the time, president of the Watauga County Farmers Market and longtime farmer)
- Keith Honeycutt (Economic Development Commission, Former Commissioner, and sales at Hollar & Greene)
- Dale Cornett (at the time, President of the Watauga Christmas Tree Association)
- Ricky Critcher (Chair of the Voluntary Farmland Preservation board and longtime farmer)
- Sheila Greene (co-owner of North Fork Farms, cattle producer)—was not able to attend meetings
- Richard Boylan (Area Extension Agent for alternative and organic agriculture)
- Blake Brown (cattle farmer and state tobacco economics specialist and participant in first draft of plan)
- Kelly Coffey (current chair of Voluntary Farmland Preservation board and part of High Country Council of Governments, and owner of Raven Rocks Farm)

The ad hoc committee met late in 2011 and early 2012 and shared comments via email regarding proposed changes to the document. Jim Hamilton took the collective comments and individual feedback and made substantial edits to the plan...trimming it down to a 17 page document (from the original 100+ page document) that contains the essential background and recommendations that were in the original plan, but with much less unnecessary information (for an actionable plan) and controversial language.

Here's a summary of comments that I sent to the committee regarding the revised plan and what was changed from the original plan:

* The draft "ordinance" from the original plan was used as the template for this current revision. Despite how the public at large feels about the term "ordinance", that is the term used by county government to consider, vote on, implement, etc., a plan like this one and should not imply that this document is an "ordinance" that is restricting

anything. The plan, in the attached format as an ordinance, is actually what the commissioners would vote on if I'm not mistaken.

- * Maps, the Farm Assessment from ASAP, the 'planning matrix', and other items, appendices, and sections from the original plan were omitted, but are and can still be used on their own as stand-alone resources and references.
- * The word "protection" was replaced with "preservation" where necessary to avoid any inference of infringing on private landowner rights
- * The plan's language was amended to emphasize ways to support ALL agriculture...not highlighting one commodity group over another. I deleted the sections that separated out terms like "organic" or "new farmers". The committee agreed that the plan should provide recommendations that would support ALL agricultural commodities and farmers.
- * All data regarding agriculture in the county is from NCDA...instead of multiple sources that were in the original plan—some of which were deemed biased. While NCDA statistics and data can oftentimes be incomplete, it is the standard recognized source for agricultural data in the state.
- * a 2-paragraph foreword was added based on the committee's feedback related to the need to emphasize that this is a 'living and dynamic' document that may be changed and edited as needed.

The recommendations and action items section is the most detailed and involved--they all come from the original plan, but were amended based on the committee's suggestions. These are all short and long-term plans and many elements of these are already being implemented by partner organizations. We incorporated the elements and recommendations that were discussed at our meeting into these where they fit.

**AGRICULTURAL DEVELOPMENT AND FARMLAND PRESERVATION PLAN
FOR
WATAUGA COUNTY,
NORTH CAROLINA'**

FOREWORD AND NOTES ABOUT THIS PLAN:

This plan should be considered a “living” and dynamic document to provide general background information on agriculture in Watauga County. The plan provides **recommendations** from the many stakeholders for current and future agricultural planning for Watauga County. It is designed for County government, Cooperative Extension, and other entities interested in Watauga County agriculture to make informed decisions regarding priorities and issues facing farmers and the industries and organizations that support them. This document is not intended in part or whole to create or infer infringement on private property rights. Statistical data provided in the plan is summarized from data provided by the North Carolina Department of Agriculture, which relies on periodic voluntary survey information and economic data based on receipts from commodities. While this data is not always complete, it is considered the standard source for agricultural data for the state. Periodically, this data should be revisited and the plan revised to account for changing priorities and realities of agriculture in the county.

Other information and recommendations provided in this plan come from many farmers, citizens, and employees of Watauga County who gave freely of their time and opinions in support of local agriculture, past, present and future. The Watauga County Commissioners, County Manager and staff, ad-hoc Preservation Plan committee, and the North Carolina Agricultural Development and Farmland Preservation Trust Fund board members and staff also share in the development of this plan. This Plan was originally prepared with a grant from the North Carolina Agricultural Development and Farmland Preservation Trust Fund.

The purpose of the plan is to:

- * maintain reference data on existing farming activities to address and encourage economic development.
- * understand the available, viable, and acceptable options for the county’s agricultural future.
- * enable and encourage collaboration on farmland preservation efforts to increase efficiency and avoid disjointed approaches that may ultimately prove ineffectual and/or wasteful

STATEMENT OF NEED FOR ACTION

Agriculture makes a major contribution to the well being of Watauga County residents, both those living within, and outside the county’s cities and towns. In addition to direct contributions to the local economy in the form of product sale receipts and expenditures on farm services and inputs, along with employment on farms and farm support businesses, farmers also make significant contributions as stewards of the remaining amounts of undeveloped land (open space) in the county. Their stewardship protects the county’s soil and water resources, recharges groundwater, reduces impacts of storm water runoff and helps prevent flooding, connects wildlife habitat, and safeguards the scenic and historic vistas that have defined our county’s character. Enabling farmers to continue to farm is a cost effective way of maintaining the quality of life of everyone in Watauga County. Farmland is the foundation of many communities, providing them an identity and source of community pride. It plays a subtle but important role in strengthening community cohesion and will play an increasing role in meeting the food needs of local communities as fuel costs and populations increase. American democracy has its roots in

agriculture, based on the notion that all people can own property and live from the land. The “culture” produced by agriculture gave us characteristics such as self-sufficiency and individualism. Therefore, the loss of farmland erodes these democratic ideals.

Watauga County is losing farmland. Farming faces a unique set of issues, some of which can be mitigated with thoughtful action by Watauga County and its many partners who share a commitment to the long-term success of agriculture in the county.

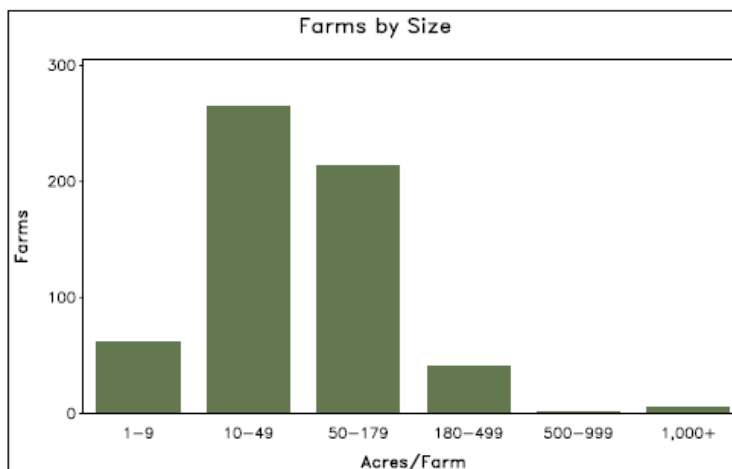
According to the North Carolina Agricultural Development and Farmland Preservation Trust Fund (<http://www.ncadfp.org/>), an Agricultural Development and Farmland Protection Plan shall:

- List and describe existing agricultural activity in the County
- List existing challenges to continued family farming in the County
- List opportunities for maintaining or enhancing small, family-owned farms and the local agricultural economy
- Describe how the County plans to help maintain a viable agricultural community and address farmland preservation and agricultural economic development
- Include a schedule for implementing the plan and possible funding sources

OVERVIEW OF WATAUGA COUNTY AGRICULTURAL ACTIVITY²

A. Agricultural Production

Watauga County’s family farms produce a diverse array of agricultural products, including beef cattle, Christmas trees, hay and a wide variety of fruits, vegetables, and specialty products such as apples, berries, honey, organic and non-organic produce, poultry, etc.³



From US Census of Agriculture, 2007, Watauga County Profile

Watauga’s farm sizes are typical of many WNC mountain communities. The US Census of Agriculture of 2007 documents that the average farm size in Watauga County is 78 acres. Out of an estimated 587 farms, nearly half are within the 10 to 49 acre size class, while over 200 farms fall within the 50 to 179 acre category⁴. Over 50 farms are listed as 1 to 9 acres in size, and approximately 30 are in the 180 to 499 acre category. A few farms are in the 500 to 999 acre size class, or over 1,000 acres.

Fraser fir Christmas tree production remains the #1 agriculture endeavor (based on economic impact) in Watauga County followed by cattle production. Over the last several years, the production of organic, alternative, and specialty crops (such as vegetables, honey, grass-fed beef, etc) has greatly increased to meet an increasing demand for locally grown food.

B. Economic Impact of Agricultural Production

- Annual Gross Sales of Agricultural Products in Watauga County: > \$11 million
- 2007 Cash Receipts from Sales of Agricultural Products in Watauga County: \$11.5 million
- Ranking of Agriculture Among Watauga County Industries: 2nd (tourism is #1)
- Types of Farm Related Businesses in Watauga County: processing farm products; farmers' markets and produce stands; vehicles and equipment dealers and other enterprises; contract labor.

C. Family Farm Statistics

(USDA Agricultural Census, 2007)

- Total Number of Farms in Watauga County (2007): 587
- Total Number of Farms in Watauga County (2002): 731
- Percentage Decrease in Number of Watauga County Farms (2002 to 2007): 20 %
- Number of Farms in Watauga County Owned by Families or Individuals (2007): 94%
- Average Farm Size in Watauga County (2007): 78 acres, a decline over historic trends
- Farms in the 50 to 179 acre size range have declined in recent years. ⁴
- The number of smaller farms has increased, including those between 10 and 49 acres in size and those less than 10 acres.
- Number of Watauga Principal Farm Operators Listing Farming as Full-Time Job (2007): 200; Percentage of Total: 34 %
- Number of Watauga Farms Listed as Retirement Farms (2007): 133; Percentage of Total Watauga Farms (2007): 23 %
- Number of Watauga Farms Listed as Residential/Lifestyle Farms (2007): 282; Percentage of Total Watauga Farms (2007): 48 %
- Acres of Watauga County Farmland Listed as Retirement Farms (2007): 27,612; Percentage of Total Watauga Farmland (2007): 60%

Historically, most farm families in Watauga depended on agriculture for their primary employment, whereas many now depend greatly on off-farm employment, presumably to offset the low profitability of agriculture.⁵ Family farms make up the majority of agricultural production in the county. According to the 2007 USDA Census of Agriculture, Watauga County's agriculture industry consists of predominately family owned businesses with the majority of farms owned by individuals or families, with the remainder owned as partnerships and family corporations. In 2002, there were 731 farms in Watauga County. By 2007, that number decreased by 20 percent to a total of 587 farms. The average farm size in 2007 was 78 acres, a decline over historic trends. Farm numbers and sizes are dynamic due to parcelization, consolidation, conversion & development, changes in lease agreements, and other factors.

D. Farm Land Use Trends

- Total acres of farmland in Watauga County (2007): 45,782 acres
- Total acres of farmland in Watauga County (2002): 51,758 acres
- Percentage decrease in acres of farmland (2002 – 2007): 12%⁶
- Percentage of Watauga County Farmland in Pasture/Hay (2007): 29.21%
- Percentage of Watauga County Farmland in Row Crops (2007): 25.63%

E. Agricultural Soils

Soils on more level and gently sloping areas in Watauga County are generally well suited to agricultural uses. Many of the major valleys include soils mapped on the USDA-NRCS Soil Survey as Soils of Statewide Importance or Local Importance. Bottomlands in Watauga contain the highest concentrations of Prime Agricultural Soils. These categories define the suitability of various soils for agricultural uses; based on limitations of the soils, range of usefulness for agriculture, the risk of environmental damage such as erosion when they are used for agriculture, and how easily their limitations can be overcome by remedial measures. The Townships of Meat Camp, Stony Fork, Watauga, and Laurel Creek have significant concentrations of these agricultural soils. It is important to note that Federal and state definitions of important soils do not take into account other soils that are important for the production of specialty crops such as Christmas trees and apples that thrive on hilly areas and ridges that are prevalent in our county.

CHALLENGES TO AGRICULTURE IN WATAUGA COUNTY

Surveys of Watauga County farmers and other owners of farmland identified some of the strengths of county agriculture as well as its challenges.⁷ While the agricultural industry remains an important part of Watauga County's economy, both farmers and farmland owners believe that challenges such as taxes, town and county ordinances, low commodity prices, environmental regulations, development pressures, complaints from neighbors, vandalism and trespassing are having a significant impact on the future of agriculture within the county. To help address the challenges facing agriculture, some Watauga County farmers and farmland owners surveyed for the Plan expressed interest in participating in a variety of local and state programs. *Following are some of the specific challenges farmers identified in the survey:*⁸

A. Increasing Costs and Low Profitability.

Watauga County farmers have identified increasing operation costs (in labor, fuel, fertilizer, equipment, etc) as well as the high costs of land, taxes, labor, regulatory compliance

requirements and utility expenses as factors affecting their bottom line. Low commodity prices, coupled with rising costs of production, have resulted in low profitability and inadequate farm income for many farmers.

B. Aging Farm Operators.

In Watauga County, the average age of a farm operator was 59 in 2007, significantly older than the county's median age of 29.9 for the general public.⁹ This indicates that a large transition will take place over the next 20 years, and with fewer interested and/or able farmers available to take over production on these farms, many may fall out of production and be divided up and sold through estate settlement processes. Additionally, generations of farming expertise may be lost, an invaluable asset to the local agricultural economy.

C. Property Values and Taxes.

Watauga County has faced and continues to experience an increase in development of seasonal homes, year round homes, and resorts, with tourism ranking as the number one sector of its economy. Land prices are above the state average across the county, with farmland selling at high prices, particularly where suited for commercial or large-scale residential development. Farmers in the county are facing limitations on their ability to expand operations, due to increased land prices and taxes; however, their equity as landowners increases. Holding land as an investment by both non-farm and farming owners is encouraged when a reasonable rate-of-return on land investment can be expected. Retaining farmland can also be encouraged through property tax policies and by encouraging or facilitating rental arrangements with farmers.

D. Conflicts with Non-farmer Neighbors.

Watauga County farmers have indicated that conflicts with non-farming neighbors are increasing. With residential development bringing new neighbors into Watauga's farming areas, the dust, noise, smells, and perceived inconveniences associated with agricultural production lie at the heart of these conflicts. Watauga County's Voluntary Farmland Preservation Program provides some support against potential nuisance lawsuits filed by neighbors. However, County and Town officials and area Realtors should be more familiar with and actively market, promote, and notify buyers of the state's "right-to-farm" policies, consider importance of agriculture in development of ordinances, and support educating non-farmer neighbors to mitigate conflict.

E. Loss of Local Farm Services.

As noted above, a significant amount of Watauga County businesses support agriculture enterprises, and in turn count on agriculture as a large portion of their service base. Farm supply businesses in Watauga County are essential for the long-term viability of farming in the county. To avoid increased travel times, operating costs, and downtime for farm equipment, Watauga County can work with its farm supply businesses to ensure that they maintain a strong presence in the county. To support a strong farm economy in the county, financial services tailored to local farm needs are also essential.

F. Fractured Infrastructure from Development.

Time is a very important asset in agricultural production. The ability to achieve certain goals within certain windows of weather and season are critical to successful farming. Often these schedules are based on the farmer's reliance of corridors of transportation between fields, services and markets. When poorly-planned development encroaches into farming areas, corridors between fields or other necessary destinations can be disrupted, increasing

farmers travel time and operating costs. Also, increased traffic in these corridors imposes similar costs.

OPPORTUNITIES FOR ENHANCING AGRICULTURE IN WATAUGA COUNTY

The following is a list of general recommendations or principles that should guide decision-making or policies that affect county agriculture:

Recommended General Farmland Preservation Principles

1. Integrate economic development with farmland preservation. Keeping farms viable is as important as protecting the resource base essential for farming and it is more cost efficient.
2. Support farmland preservation mechanisms such as voluntary conservation easements and private land trusts.
3. Educate consumers and elected officials on the relationship between a healthy local agricultural economy and the public benefits that working farmland provides.
4. Recognize that protecting farmland also involves acknowledging the benefits their stewardship of the land provides the non-farming public. Examine the long-term cost effectiveness of incentive programs that benefit farmers for farming activities.
5. Consider land use policies that work for agriculture.
6. Encourage inter-municipal cooperation. Since farming spans town and county borders, farmland preservation requires cooperation between towns and among levels of government. Efforts to promote development in one area can have negative impacts on farmland preservation efforts in others.
7. Unite commodity groups and community leaders to support agricultural and farmland preservation efforts that include water resources, scenic and/or historic sites, and recognize the public costs and benefits associated with preserving farmland.

RECOMMENDED ACTIONS

The following Actions recommended in this Plan and presented in this Section are organized according to the major topics identified in Community Visioning Workshops, Farmer Surveys and interviews that took place in 2009. As is true in any farming community, issues of land, economics, demographics/social factors, and food system infrastructure in Watauga are all interconnected.

*One recommended **key action** is for the County to meet periodically with the Farmland Preservation Trust Board to receive insight and recommendations on county agriculture and provide them the opportunity to share feedback to the commissioners, county manager, and other policy-makers and organizations. This Board can represent the farming community in matters before the county government and should encourage communication among farmers and agribusinesses to help foster a sense of community in the agricultural sector.*

LAND

Action 1) Make Farmland Preservation/Preserving Farm Equity a Priority (ongoing and long term goal)

Preserving or enhancing farm equity is critical to farm families – particularly families with small- and mid-sized farms who hold most of their wealth, and often their retirement income, in land. Preservation of farmland also is a public good that enhances the tourism economy. Therefore it is worthy to support farm owners willing to preserve their land and explore options to preserve farmland that otherwise might be lost.

1. Encourage the voluntary donation of agricultural conservation easements. The North Carolina Farmland Preservation Enabling Act enables counties to purchase agricultural conservation easements on qualifying farmland with the voluntary consent of the landowner. Under such a voluntary program the county could work with farmers willing to accept a permanent (or temporary) easement limiting subdivision of their land for conversion the difference between the value of their land for development and the value for its use as farming. Watauga County can assist farmers with transition planning by working with state, federal, and land trust professionals for voluntary farmland preservation projects such as assisting with creation of agricultural easements. Landowners may option to voluntarily donate agricultural easements in return for federal tax benefits. Watauga County Soil and Water has an opportunity to work with a number of organizations/trusts and reach out to other farmers to expand the Voluntary Farmland Preservation District. They would be the lead County agency for the implementation of this Action Item.

The County, with the assistance of the Soil and Water Conservation Board can explore the viability of the *Purchase of Agricultural Conservation Easements (PACE) Program*. Many North Carolina counties have used this program to preserve farmland and maintain it for agriculture.

2. Pending Available Funding and based on an evaluation of need, the County May Explore the Creation of a Part Time or Full Time Agricultural Economic Development Position

Establishing a new Agricultural Economic Development position for the county will be necessary for carrying forward the economic initiatives necessary for farm viability. While a part-time position may be warranted based on available funds and demand, a full-time position will be able to work with the Farmland Preservation Board and others to dedicate the effort required to coordinating the efforts of the various participants (program staff in county economic, labor, tourism, planning, agricultural, and conservation departments and other interested non-profit staff) to implementing this plan, as well as prioritizing, developing and implementing the various initiatives called for in this plan. Duties of such a position should include:

- a. Determining priorities, developing strategies, and achieving benchmarks for economic development efforts
- b. Identifying and seeking additional funds for economic and business development for county initiatives and individual producers through grant writing
- c. Communicating and meeting on a regular basis with stakeholders in agricultural economic development process
- d. Developing marketing initiatives for local agriculture

3. Support the Right-to-Farm: County and town officials should become familiar with the state right to farm law and seek to improve neighbor relations and general understanding of commercial farm activities and needs to reduce nuisance suits and generate positive public support for local agriculture. Cooperative Extension can assist with the development of educational materials to support this effort. Action items can include:

*Ensuring notice requirements under the Voluntary Agricultural District ordinance are followed in the counties land records system as well as posted notice in the tax office, as well as maintaining road signage in agricultural production areas.

*Partner organizations can assist the county in creating a “neighbor relations” packet for distribution to new county residents by the Chamber of Commerce, Visitors Bureau, tax office, etc. This can also be made available to farmers wishing to further educate their neighbors on farming operations. Provide real estate brokers and lawyers with Voluntary Agricultural District maps, the above “neighbor relations” packet, and printed disclosure notices of agricultural operations and encourage them to share these materials with their clients. Create an easy to understand brochure on the realities of living in agricultural areas and make available for distribution, and add such information to the county website.

*Set up local arbitration referral program for farm-neighbor disputes. Pre-litigation mediation of farm nuisance suits is required in North Carolina.¹⁰

*Encourage municipalities to seek input from the Farmland Preservation Board or other when developing and revising local ordinances.

Action 2) Develop Options for Enacting Present Use Value Tax Legislation for Similar Benefits for Smaller Food Producing Farms Based on Farm Income (long term goal)

Changing Present Use Value Tax Legislation requires an amendment of state law. Watauga County can work with the High Country Council of Governments and other communities across the state in looking for legislative opportunities to address the tax relief needs of smaller farms (10 acres or less) which do not come under the state and county standards for Present Use Value Tax. This is especially important in high-dollar real estate markets such as the Boone area where small growers are producing food close to population centers.

Action 3) Expand Programs and Funding for Optimum Farm Management (ongoing and pending funding)

Watauga County Soil and Water, Cooperative Extension, and other agencies can continue to seek grants and expand cost share funding and technical assistance for dealing with farm management challenges facing Watauga’s farmers, including:

- Integrated pest management and alternative production methods;
- Transitioning to diversified crops and organics; including rotational grazing and locally processed meats
- Promotion and expansion of existing state agricultural cost-share programs, and water resource protection programs
- Assist farms in leasing more land for pasture management, promoting cost-share programs;
- Support generation of renewable energy to enhance the sustainability of small- and medium-sized farms. Federal initiatives many communities support renewable energy generation by farms. Through grants, State and local governments can support reasonable on-farm development of small-scale wind, solar, and micro-hydro energy generation to enhance sustainable agriculture.

ECONOMICS/MARKETS

Action 1) Assist Farmers in Identifying and Meeting Agricultural Demand (ongoing)

Watauga County can support Cooperative Extension, Appalachian Sustainable Agriculture Project and other organizations to assess regional markets and increase production of specialty crops. This can include a focus on outreach to the growing number of part-time farmers and non-farming landowners and assisting the traditional commodity groups in reaching new clients by exploring different marketing options.

- Support continued access to educational resources for both traditional and alternative agriculture. Such resources are available through NC Cooperative Extension, USDA-Farm Service Agency and Natural Resource Conservation Service, as well as other organizations such as Appalachian Sustainable Agriculture Project.
- Develop public-private branding and marketing strategies for “Watauga Grown” or “High Country Grown” local farm products and value-added goods, to promote local purchasing.
- Assist farmers in developing partnerships and cooperatives, allowing them to pool resources for production, processing, marketing and distribution. Value-Added Producer Grants may be sought out and used to fund start-up projects.
- Provide technical assistance for developing Community Supported Agriculture (CSA), and distribution partnerships or cooperatives.
- Foster regional collaboration with neighboring counties on local food products and markets.
- The County can assist with the proposed expansion of the Watauga County Farmers Market and facilitate the expansion of distribution partnerships for farmers.
- Support the Soil and Water Conservation’s “farm equipment lending/sharing program” for equipment to encourage more farmers to plant and harvest small grains or other crops for local mills, cattle producers, and for other expanding markets.

Action 2) Maintain and Distribute Watauga Local Food System Map (ongoing)

Watauga Soil and Water, Cooperative Extension, and the County Planning Office can collaborate with ASAP and/or other local agriculture organizations in an annual update of a county Local Agricultural Infrastructure map to ensure that it accurately reflects the current state of producers, processors, distributors, farm support services, and markets for Watauga farm products. On-line digital versions and paper copies can be widely distributed to help match growers and buyers, and to educate residents and visitors about where local food comes from.

Action 3) Develop Public-Private Partnerships to Reach Institutional Markets (ongoing)

Watauga County Cooperative Extension can work with organizations and neighboring counties to establish feasibility studies and multi-year pilot projects for farm-to-school, farm-to-hospital, and farm-to-university programs matching local farmers with institutional food buyers in the county and neighboring areas such as ASU, Watauga Medical Center, etc. Schools offer an excellent opportunity to educate students and their parents about the importance of local farms. Encourage school administrators (or the county school board) to purchase local produce for county schools. Support food safety training and education programs.

Action 4) Support the Development of a Watauga Local Agriculture and Food Tourism Initiative (ongoing)

Watauga County Cooperative Extension and Watauga County District Tourism Development Authority and the Boone Convention and Visitors Bureau can develop an initiative promoting Watauga County as a local foods destination within the High Country. With promotional

materials and events, farm dinners and farm tours, on-farm Bed and Breakfasts, choose-and-cut Christmas tree experiences, local food restaurants, and media campaigns, Watauga can find mutual benefits strengthening its tourism and agriculture sectors through agritourism and mountain grown foods.

Action 5) Establish Contract Growing Arrangements between Farmers and Regional Food Pantries and Hunger Relief Agencies (ongoing and long term)

Watauga County Cooperative Extension can serve as a facilitator for negotiating contracts between farmers and hunger relief providers, specifically for fresh produce to supplement the large amount of packaged foods. Regional organizations and individual donors can be called upon to help support this type of outreach initiative.

DEMOGRAPHICS and SOCIAL FACTORS

Action 1) Assist Existing and Retiring Farmers in Preparing Transition Plans for their Farms (ongoing)

Watauga County Soil and Water and Watauga County Cooperative Extension can work with the North Carolina Farm Transition Network and other partners in pursuing grants to fund and host Farm Transition Planning workshops for farmers. Provided that grants are available, funding can be pursued to cover some of the cost of individual farm planning and estate planning discussions held with farm families and their financial, legal, and tax advisors. Training local professionals as farm transition planning advisors is an important component of this Action.

Action 2) Promote Affordable Access to Land for Farmers (ongoing)

Watauga County Soil and Water and Watauga County Cooperative Extension can work with the North Carolina Farm Transition Network and other partners to fund and host Land Access workshops for new and beginning farmers as well as other current full or part-time farmers looking to expand their production. Workshops can include detailed discussion of creative financing options, land-link opportunities introducing retiring and new farmers, and discussion of equitable farm leases and community farm trusts.

Provided that grants are available, funding can be pursued to cover some of the cost of developing individual land access strategies for beginning farmers or other farmers wishing to expand their operations. Help connect farmers and landowners to facilitate viable rental and land lease arrangements, particularly with landowners who own but do not actively graze or cultivate farmland.

Action 3) Promote Widespread Agricultural Education for New and Existing Farmers Looking to Diversify their Farms (ongoing)

Watauga's and WNC's ample resources for agriculture education can be packaged, presented and marketed to attract and retain farmers of all ages (college graduates to retirees) and assist with developing new crop production strategies. Cooperative Extension, ASU's Sustainable Development program, and other partners can work together to reach out to new and existing farmers and students with a yearly calendar of farming workshops, events, and trainings available in the High Country area.

Watauga County and private donors can start an Agriculture Education Scholarship Fund to pay for students and farmers to attend agriculture education events throughout the region.

Action 4) Support Greater Recognition and Public Support for Agriculture (ongoing and long term goal)

The county could support development of a public education campaign to tie consumer support of local agriculture with open-space, clean water and air benefits, and enhanced wildlife habitat working farm and forestland provides. Include input from the local Soil & Water Conservation District, Resource Conservation and Development district, and area land trust on specific farm-related conservation projects they have worked on. Tie the education campaign to specific initiatives under this plan to build public political support for preservation tools such as funding for a *Purchase of Agricultural Conservation Easements (PACE) Program* or other voluntary programs.

The county should continue to contribute to sponsorship of festivals, farm tours and other public recognition of farmers including events such as Cove Creek Farm Heritage Days, the Watauga County Farmers Market, and Farm City Banquet. These activities *educate the non-farming public on the environmental benefits of farmland preservation and the detriments of its conversion.*

Extension and the Voluntary Farmland Preservation Board can work with/educate developers on creating *options and incentives* for preserving farmland as part of new subdivisions (known as “development supported agriculture”), and transferring development rights (TDR’s) from prime farmland areas to areas capable of handling more intensive development. These are conservation development options that can be designed in a way that protects farm equity and even enhances the marketability of farmland even as new development occurs.

INFRASTRUCTURE

Action 1) Develop Public-Private, Multi-County Local Foods Infrastructure (medium to long term)

Watauga County can work with other counties in the High Country Council of Governments to develop shared processing and distribution infrastructure including:

- shared washing, prep, and packing facilities for produce
- commercial kitchens (smaller, more central than the former Ashe County facility)
- a multi-county slaughterhouse
- expanded distribution partnerships for local non-organic produce

Action 2) Develop Countywide Ordinances Allowing Promotion of Farms and Farm Products (short term, priority)

Watauga County can amend its sign ordinance and work with the towns to ensure that farmers have the ability to fairly advertise their farms and farm products in a manner that complements the scenic qualities of the rural landscape and avoids the visual impacts of commercial advertising that sign ordinances are intended to prevent. Ordinances need to be shared with DOT and other local regulatory agencies to ensure compliance. For example, some laws and ordinances restrict “farm stands,” road-side on-farm retail establishments, and other agricultural enterprises. Careful consideration should be taken in drafting restrictions on farm stands to allow farmers to better market their on-farm products.¹¹

Other actions include:

* Giving priority to streamlining Building Permit process for farmers. Undue regulations or delays in obtaining a building permit can cause unnecessary hardships for farmers dependent on the seasonal growing cycle. Sometimes buildings or greenhouses have to be built quickly to

allow a farmer to fully perform on contract. Also, delays in permitting can push the timing of a necessary improvement into the seasons where farmers are most busy.¹²

* Working with state Department of Transportation on road maintenance priorities and needed signage near farm operations.

ARTICLE VII. SCHEDULE TO IMPLEMENT THIS PLAN TO ENSURE A VIABLE AGRICULTURAL ECONOMY IN WATAUGA COUNTY

A. Multi-Year Action Steps¹³

1. Based on the Availability of Funds for Specific Projects, the County **May** Consider the Following Actions:
 - a. Actively engage the county's Farmland Preservation Board and Cooperative Extension to prioritize elements of plan implementation
 - b. Develop a budget, draft a job description, and consider creating an Economic Development Specialist and Ag Economic Development position.
 - c. Begin implementing prioritized elements of Agricultural Preservation Plan
 - d. Schedule a county-wide meeting of farm and agribusiness operators and elected officials to discuss Agricultural Preservation Plan
 - e. Develop and share a schedule of farmer workshops on marketing, diversification, business planning, estate planning, etc.
 - f. Develop written materials and/or county ag web-site (eg. brochures, packets) called for under plan

B. Key Stakeholders and Their Roles in Implementing the Plan¹⁴

1. *County Government:* By adopting the plan, the county Board of Commissioners has made agricultural preservation official county policy. The county, through the Agricultural Advisory Board¹⁵, has committed to take the lead role in implementing this plan, based on the availability of funding, and drawing together the key players to coordinate its efforts and policies. The county Board of Commissioners bears the responsibility for approving efforts to seek funding to help implement this plan.
2. *State Agencies:* Some key agencies providing assistance to agricultural producers in the county are North Carolina Cooperative Extension, North Carolina State University, and North Carolina A&T State University. The Soil & Water Conservation District provides technical support and cost-share funding to farmers for adopting certain conservation and water quality improvement practices. The Department of Agriculture and Consumer Services provides data on Voluntary Agricultural Districts throughout the state, as well as marketing advice to agricultural producers.
3. *Federal Agencies:* USDA has a strong presence in Watauga County with its NRCS and FSA local offices. NRCS administers financial and technical assistance program for farmland preservation and conservation initiatives, including grants for best management practices, and habitat improvement. FSA lends money to operators and provides credit counseling and farm business consulting.
4. *Business and Industry:* Participation of local farm businesses in this plan is critical its implementation. Private industry, both farm supply and nonfarm businesses and the Chamber of Commerce play an important role in promoting the agricultural sector of the county's economy. These organizations should also help in developing new markets such as tourism that will benefit agricultural producers.

5. *Commodity Groups and Non-governmental Organizations*: Commodity groups such as the Watauga Cattlemen's Association and Christmas Tree Association, cooperatives and farm groups such as Maverick Farms and New River Organic Growers as well as organizations such as land trusts, historic preservation groups, and groups dedicating to assisting agriculture provide necessary advocacy and other service necessary for implementation of this plan.
6. *Residents*: The success of this plan ultimately relies on the participation of county residents in the local agricultural market. The proximity of their purchases to the producers ensures that more of each dollar paid for an agricultural item will return to the farmer, thus increasing his or her profitability and increasing the likelihood that he or she will continue to farm their land. Residents of the county can also recognize the importance of working farms to the local economy and environment and heritage of Watauga County by supporting county policies that support agriculture.

AUTHORITY FOR COUNTY ACTION

In 1986, the North Carolina General Assembly passed the North Carolina Farmland Preservation Enabling Act.¹⁶ The stated purpose of this Act is "to authorize counties to undertake a series of programs to encourage the preservation of farmland as defined herein."¹⁷ In addition to enabling counties to create Voluntary Agricultural District ordinances, which Watauga County adopted on October 2, 2000, the Act also created the North Carolina Farmland Preservation Fund and enabled counties to develop purchase of agricultural conservation easements (PACE) programs. By later amendment, the General Assembly created a matching mechanism for distribution of Farmland Preservation Trust Fund monies, with preference to counties adopting a countywide farmland preservation plan.¹⁸ The Act declares that a countywide farmland protection plan shall:

1. Contain a list and description of existing agricultural activity in the county.
2. Contain a list of existing challenges to continued family farming in the county.
3. Contain a list of opportunities for maintaining or enhancing small, family-owned farms and the local agricultural economy.
4. Describe how the county plans to maintain a viable agricultural community and shall address farmland preservation tools, such as agricultural economic development, including farm diversification and marketing assistance; other kinds of agricultural technical assistance, such as farm infrastructure financing, linking with younger farmers, and estate planning; the desirability and feasibility of donating agricultural conservation easements, and entering into voluntary agricultural districts.
5. Contain a schedule for implementing the plan and an identification of possible funding sources for the long-term support of the plan.¹⁹

The statute suggests that such a countywide farmland protection plan may be formulated with the assistance of an agricultural advisory board, which Watauga County appointed as part of its Voluntary Farmland Preservation Program ordinance. That board, known as the Farmland Preservation Advisory Board, will take the lead role in administering this plan and reporting to the Board of County Commissioners on its progress.²⁰

Agricultural Preservation Tools

1. *County Comprehensive Land Use Plan* (the Watauga County Comprehensive Plan, adopted in 2010, addresses agriculture as a land use in the county)

2. *The “unabridged” Watauga County Agricultural Development and Farmland Preservation Plan (from which this document was developed).*
3. *County Voluntary Agricultural District Program.* As noted above in Article II, the North Carolina General Assembly enabled counties to adopt Voluntary Agricultural District (VAD) ordinances to effectively create areas “to increase identity and pride in the agricultural community and its way of life and to increase protection from nuisance suits and other negative impacts on properly managed farms.”²¹ Farmers, by enrolling their farm in a VAD by entering into a revocable agreement with the county to forego developing their land for a period of ten years, enjoy certain protections of their operation, including waiver of sewer and water assessments, record notice to non-farm neighbors of proximity to a farming operation, and public hearing before condemnation of farm property by eminent domain. On October 2, 2000, Watauga County passed a VAD ordinance whereby optional strategies for protection of farmland were adopted. Also pursuant to the ordinance, an Agricultural Advisory Board was appointed by the Board of County Commissioners to represent agricultural interests in the county.²² While the VAD ordinance encourages investment in agriculture, it does not represent a permanent land protection measure as districts rely heavily on voluntary enrollment and allow for withdrawal.²³
4. *Purchase of Agricultural Conservation Easements (PACE) Program.* The North Carolina Farmland Preservation Enabling Act enables counties to purchase agricultural conservation easements on qualifying farmland with the voluntary consent of the landowner. Easements under the program can be drafted to offer farmers maximum flexibility to continue to profitably work their land, and change their operation as their needs dictate, as long as they meet the requirements of state law regarding the purpose of agricultural conservation easements. By North Carolina statute, “such easements may permit the creation of not more than three lots that meet applicable county zoning and subdivision regulations, and shall be perpetual in duration, provided that, at least 20 years after the purchase of an easement, the county may agree to reconvey the easement to the owner of the land for consideration, if the landowner can demonstrate to the satisfaction of the county that commercial agriculture is no longer practicable on the land in question.”²⁴
5. *State Conservation Funding Tools*
 - a. Farmland Preservation Trust Fund. The North Carolina FPTF is created by statute “for the purchase of agricultural conservation easements” in transactions with both governmental and private non-profit organizations.²⁵ These monies, when available, can be matched with certain federal funds described below. The FPTF is administered by the Department of Agriculture or its designee.
 - b. Clean Water Management Trust Fund. The North Carolina CWMTF is a voluntary, incentive-based water quality program to help local governments, state agencies and conservation non-profit groups finance projects to protect and restore surface water quality. Farm and forest land owners are eligible to receive trust fund monies for sale of the development rights to their land under certain guidelines and qualifications. These funds can be combined with certain federal conservation funds listed below.²⁶
 - c. Division of Soil and Water Conservation Agricultural Cost-Share. This program is administered by the Division of Soil and Water Conservation in the Department of Environment and Natural Resources. It is delivered at the local level by 492 elected and appointed volunteer District Supervisors who are assisted by a cadre of experts. Participating farmers receive 75% of predetermined average costs of installed best management practices (BMPs)

with the remaining 25% paid by farmers directly or through in-kind contributions. Some applicants may be eligible to receive as much as \$75,000 per year. Also the program provides local Districts with matching funds (50:50) to hire personnel to plan and install the needed BMPs, including Riparian Buffers, Strip cropping, and Grassed Waterways²⁷.

- d. Natural Heritage Trust Fund. Like the FPTF and CWMTF, this fund may be available to purchase development rights on properties with outstanding natural or cultural values.²⁸
 - e. North Carolina Conservation Tax Credit. North Carolina law allows a credit against individual and corporate income taxes when real property is donated for conservation purposes. Interests in property that promote specific public benefits may be donated to a qualified recipient. Such conservation donations qualify for a substantial tax credit.²⁹
6. *Federal Conservation Funding Tools*

Below are some of the voluntary federal programs that are part of The Farm Security and Rural Investment Act of 2002 (commonly known as the 2002 Farm Bill) and administered by the Natural Resources Conservation Service (NRCS) and Farm Services Agency (FSA) of the United States Department of Agriculture (USDA). They are designed to compensate farmland owners for the conservation value of their land. Like local PACE programs, they have the dual effect of safeguarding the environmental benefits of farmland as open space while injecting dollars into the local economy via the farmland owner.³⁰

- a. Farm and Ranchland Protection Program (FRPP). The Farm and Ranchland Protection Program provides federal funds to help purchase development rights, keeping productive farmland in agricultural use while compensating the farmland owner for the conservation value of his or her land. The FRPP program matches state and local PACE programs up to 50% of the easement purchase price, working through state, tribal and local governments and land trusts.
- b. Conservation Reserve Program (CRP). The Conservation Reserve Program reduces soil erosion, protects the nation's ability to produce food and fiber, reduces sedimentation in streams and lakes, improves water quality, establishes wildlife habitat, and enhances forest and wetland resources. It encourages farmers to convert highly erodible cropland or other environmentally sensitive acreage to vegetative cover, such as tame or native grasses, wildlife plantings, trees, filter strips, or riparian buffers. Farmers receive an annual rental payment for the term of the multi-year contract.
- c. Conservation Reserve Enhancement Program (CREP). (where available) CREP is a voluntary program that seeks to protect land along watercourses that is currently in agricultural production. The objectives of the program include: installing 100,000 acres of forested riparian buffers, grassed filter strips and wetlands; reducing the impacts of sediment and nutrients within the targeted area; and providing substantial ecological benefits for many wildlife species that are declining in part as a result of habitat loss. Under CREP, landowners can voluntarily enroll eligible land in 10-year, 15-year, 30-year, and permanent contracts. The state will pay additional bonuses to landowners that enroll land in 30-year and permanent agreements. Cost sharing will be available for installation of forested riparian buffers, grassed filter strips, wetlands restoration practices, water control structures, livestock exclusion, and remote livestock watering in order to increase the efficiency of enrolled practices. Currently

available in the Neuse, Tar-Pamlico and Chowan river basins and the Jordan Lake watersheds.³¹

- d. Wetlands Reserve Program (WRP). The Wetlands Reserve Program offers landowners the opportunity to protect, restore, and enhance wetlands on their property. The NRCS provides technical and financial support to help landowners with their wetland restoration efforts. The NRCS goal is to achieve the greatest wetland functions and values, along with optimum wildlife habitat, on every acre enrolled in the program. The WRP offers landowners three options: permanent easements, 30-year easements, and restoration cost-share agreements of minimum 10-year duration.
 - e. Environmental Quality Incentives Program (EQIP). This program provides a source of funding for nutrient management systems. The program offers technical, financial, and educational assistance in designated priority areas to install or implement structural, vegetative, and management practices called for in five to ten year contracts for most agricultural land uses.
 - f. Wildlife Habitat Incentives Program (WHIP). This program encourages creation of high quality wildlife habitats that support wildlife populations of national, state, tribal and local significance by providing technical and financial assistance to landowners and others to develop upland, wetland, riparian, and aquatic habitat areas on their property.
7. *State Right-to-Farm Law*³² By statute, North Carolina farmers are granted the right to farm without legal interference from non-farm neighbors and local governing bodies, subject to certain limitations. Pre-litigation mediation of farm nuisance claims is mandatory.³³
 8. *Present Use Value Property Tax*³⁴ Working farm, forest and horticultural lands by state statute are afforded a property tax assessment based on their agricultural working value, as opposed to the value of their land for industrial or residential development. A working farm must earn \$1000 in gross sales annually to qualify for this differential assessment. This assessment affords farmers some amount of cost control that would otherwise limit their ability to farm profitably.
 9. *County Farmer's Market*: The Watauga County Farmers Market operates in Boone on Saturdays and Wednesdays during the growing season. The High Country Farmers Market operates on Sundays in Boone.

¹ This countywide Protection Plan is a suggestive model based on North Carolina statutory law and county agricultural plans (called farmland protection plans under NC law) from other states. Certain narratives, structures and ideas have been borrowed from these plans, and are noted accordingly. The various descriptive narratives contained in this model plan are suggestions and can be changed to meet the special circumstances of an individual county.

² Counties in other states that have formulated county farmland protection plans first compiled data from agricultural censuses, real property tax roles, planning departments and soil and water conservation districts. This data collection reveals information about changes in the number of farms in the county, their ownership structure, soil types, number and value of agricultural assessments and on amount of land, and planning and zoning regulations, all of which sketch the background needed to put the issue of agricultural protection in perspective.

³ This information can be generally supplied by the 1997 Census of Agriculture, Table 2, "Market Value of Agricultural Products Sold and Farms by North American Industry Classification System: 1997 and 1992," pp. 192-204. An effort should be made to supplement this information with statistical updates from the North Carolina Department of Agriculture and Consumer Services, as well as a local farmer survey to capture transitions to alternative agricultural production.

⁴ The 50 to 179 measurement is a statistical category in Census of Agriculture, and is chosen here as the range containing the highest number of farms in North Carolina (18,259 farms).

⁵ This information can be found by county in Table 11 of the North Carolina summaries of the 1997 Census of Agriculture, “Tenure and Characteristics of Operator and Type of Organization: 1997 and 1992”

⁶ According to the statistics for all of North Carolina, while the number of farms between 1992 and 1997 decreased the number of acres in farming *increased* by 186,364 acres. Results from individual counties vary with some following this pattern, others not.

⁷ As noted above, county-wide farmland protection plans reviewed from other states are data-supported. Prior to drafting a plan, in addition to collecting the census data described above, county farmers and agribusinesses should be surveyed by the body or committee, perhaps the county’s Agricultural Advisory Board if the county has adopted a Voluntary Agricultural District ordinance pursuant to NCGS §106-738, that has come together to address agricultural protection at the county level. This survey should put in real terms the county farmers’ and farmland owners’ values, concerns, optimism about the future, etc. that will guide framing of issues and their solutions in the county-wide plan. This survey data will give the Agricultural Protection Plan credibility with county residents, and will have the effect of laying the groundwork for future action.

⁸ These are concerns that surfaced in focus-groups of area farmers in 2009, 2010, and 2011

⁹ Ibid, pp. 334-346

¹⁰ NCGS §7A-38.3.

¹² Ibid.

¹³ Drafting this schedule will depend entirely on when this plan is approved, taking into account the counties fiscal cycle, and particularly county farmers’ seasonal availability to participate in the workshops and other implementation elements of this plan. Though the schedule here is for one year, it should look to the long term as well. It is probably a good idea to incorporate in the plan itself as it is part of the plan described in the Farmland Preservation Enabling Act.

¹⁴ Rensselaer County plan, p. 65.

¹⁵ Or equivalent body.

NCGS §106-735 et seq.

NCGS §106-735(b). “Qualifying farmland” is defined in §106-737.

NCGS §106-744 (c)(1).

NCGS §106-744(e)(1-5)

other advisory board such a soil and water conservation district that has responsibility for land preservation in the county.

²¹ §106-738(b)

²² NCGS §106-739 outlines the authority the county may confer on it. The Board may have the authority to:

1. Review and make recommendations concerning the establishment and modification of agricultural districts;
2. Review and make recommendations concerning any ordinance or amendment adopted or proposed for adoption under this Article;
3. Hold public hearings on public projects likely to have an impact on agricultural operations, particularly if such projects involve condemnation of all or part of any qualifying farmland;
4. Advise the board of county commissioners on projects, programs, or issues affecting the agricultural economy or way of life within the county;
5. Perform other related tasks or duties assigned by the board of county commissioners.

As noted in Article II, the statute specifically states that formulation of a countywide farmland protection plan “may be formulated with the assistance of an agricultural advisory board designated pursuant to GS 106-739.” §106-744(f).

²³ Rensselaer County, NY, p. 29

²⁴ NCGS § 106-744. Statutory authority for municipalities is outlined in §106A 401 through 407. North Carolina’s conservation easement statute can be found at §121-34 through 42.

²⁵ NCGS §106-744(c).

²⁶ NCGS § 113-145.1 et seq. More information on the fund is available at www.cwmtf.net.

²⁷ Other program summaries that assist farmers in controlling non-point source runoff are available at www.enr.state.nc.us/DSWC

²⁸ NCGS §113-77.7

²⁹ Consult NCGS §§105-130.34 and 105-151.12 for the specific requirements of the CTC Program. For more information see www.enr.state.nc.us/conservationtaxcredit.

³⁰ For more program information and legislative authority, see www.nrcs.usda.gov/programs/farmland/2002.

³¹ CREP is listed here under federal programs, although it is partially funded by Clean Water Management Funds and administered by North Carolina Division of Soil and Water Conservation.

³² NCGS §106-700 et seq.

³³ NCGS §7A-38.3.

³⁴ NCGS §105-277.2.

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AGENDA ITEM 9:

PUBLIC HEARINGS

B. To Allow Citizen Comment on Proposed Amendments to the Watauga County Voluntary Farmland Preservation Program Ordinance

MANAGER'S COMMENTS:

A public hearing has been scheduled to seek citizen input regarding the amendments to the Watauga County Voluntary Farmland Preservation Program Ordinance. The changes to the ordinance reflect State modifications to NCGS 106-581.1 and the addition of the Watauga County Soil and Water Department to approve whether or not a farm qualifies.

After the close of the public hearing, the Board may adopt the plan as presented, incorporate changes recommended at the hearing, or schedule a work session to discuss additional changes.

Staff seeks direction from the Board.

Highlighted areas indicate sections of the Voluntary Farmland Preservation ordinance that the preservation board recommends be amended.

FROM THIS

§ 106-737. Qualifying farmland.

In order for farmland to qualify for inclusion in a voluntary agricultural district or an enhanced voluntary agricultural district under Part 1 or Part 2 of this Article, it must be real property that:

- (1) Is participating in the farm present-use-value taxation program established by G.S. 105-277.2 through 105-277.7 or is otherwise determined by the county to meet all the qualifications of this program set forth in G.S. 105-277.3;
- (2) Repealed by Session Laws 2005-390, s. 11 effective September 13, 2005.
- (3) Is managed in accordance with the Soil Conservation Service defined erosion control practices that are addressed to highly erodable land; and
- (4) Is the subject of a conservation agreement, as defined in G.S. 121-35, between the county and the owner of such land that prohibits nonfarm use or development of such land for a period of at least 10 years, except for the creation of not more than three lots that meet applicable county zoning and subdivision regulations. (1985 (Reg. Sess., 1986), c. 1025, s. 1; 2005-390, ss. 3, 11.)

TO THIS

§ 106-737. Qualifying farmland.

In order for farmland to qualify for inclusion in a voluntary agricultural district or an enhanced voluntary agricultural district under Part 1 or Part 2 of this Article, it must be real property that:

- (1) Is engaged in agriculture as that word is defined in G.S. 106-581.1.
- (2) Repealed by Session Laws 2005-390, s. 11 effective September 13, 2005.
- (3) Is managed in accordance with the Soil Conservation Service defined erosion control practices that are addressed to highly erodable land; and
- (4) Is the subject of a conservation agreement, as defined in G.S. 121-35, between the county and the owner of such land that prohibits nonfarm use or development of such land for a period of at least 10 years, except for the creation of not more than three lots that meet applicable county and municipal zoning and subdivision regulations. (1985 (Reg. Sess., 1986), c. 1025, s. 1; 2005-390, ss. 3, 11; 2011-219, s. 1.)

This is the definition of agriculture per NC GS.

§ 106-581.1. Agriculture defined.

For purposes of this Article, the terms "agriculture", "agricultural", and "farming" refer to all of the following:

- (1) The cultivation of soil for production and harvesting of crops, including but not limited to fruits, vegetables, sod, flowers and ornamental plants.
- (2) The planting and production of trees and timber.
- (3) Dairying and the raising, management, care, and training of livestock, including horses, bees, poultry, and other animals for individual and public use, consumption, and marketing.
- (4) Aquaculture as defined in NC G.S. 106-758.
- (5) The operation, management, conservation, improvement, and maintenance of a farm and the structures and buildings on the farm, including building and structure repair, replacement, expansion, and construction incident to the farming operation.
- (6) When performed on the farm, "agriculture", "agricultural", and "farming" also include the marketing and selling of agricultural products, agritourism, the storage and use of materials for agricultural purposes, packing, treating, processing, sorting, storage, and other activities performed to add value to crops, livestock, and agricultural items produced on the farm, and similar activities incident to the operation of a farm. (1991, c. 81, s. 1; 2005-390, s. 18; 2006-255, s. 6.)

**WATAUGA COUNTY
VOLUNTARY FARMLAND PRESERVATION
PROGRAM ORDINANCE
(Amended)**

ARTICLE I
TITLE

This program, adopted by the Board of Commissioners of Watauga County, North Carolina, shall be known as the **Watauga County Voluntary Farmland Preservation Program Ordinance**.

ARTICLE II
AUTHORITY

The articles and sections of this program ordinance are adopted pursuant to the authority conferred by N.C. General Statutes 106-735 through 106-743.

ARTICLE III
PURPOSE

The purpose of this program ordinance is to promote the health, safety, rural agricultural values, and general welfare of the county, and more specifically, increase identity and pride in the agricultural community and its way of life; encourage the economic and financial health of farming; increase protection from undesirable, non-farm development; and increase the protection of farms from nuisance suits and other negative impacts on properly managed farms.

ARTICLE IV
JURISDICTION

The jurisdiction of the Watauga County Voluntary Farmland Preservation Program Ordinance shall be the unincorporated areas of Watauga County.

ARTICLE V
DEFINITIONS

Advisory Board: The Watauga County Agricultural Advisory Board

Board of Commissioners: The Board of Commissioners of Watauga County, North Carolina

Chairman: Chairman of the Watauga County Agricultural Advisory Board

District: A voluntary agricultural district established under the terms and conditions of this program by the Board of Commissioners

ARTICLE VI
QUALIFICATIONS AND CERTIFICATION OF FARMLAND

Section 600. Requirements

In order for farmland to qualify for participation under the terms of this program, it shall meet the following requirements:

- (1) The farmland shall be real property;
- (2) The farmland shall be engaged in agriculture (as that word is defined in NC G.S. 106-581.1.) **(changed...see attached document)**
- (3) The property shall be certified by the Natural Resources Conservation Service of the United States Department of Agriculture, in consultation with the Cooperative Extension office, **Watauga County Soil and Water District (added)**, and the Farm Service Agency, as being a farm on which at least two-thirds of the land is composed of soils that:
 - (a) are best suited for providing food, seed, fiber, forage, timber, and horticultural crops, including Christmas trees and ornamentals;
 - (b) have good soil qualities;
 - (c) are favorable for all major crops common to the county where the land is located;
 - (d) have a favorable growing season; and
 - (e) receive the available moisture needed to produce high yields for an average of eight out of ten years; or

Soils on which at least two-thirds of the land has been actively used in agricultural, horticultural or forestry operations as defined in G.S. 105-277.2 (1, 2, 3) during each of the five previous years, measured from the date on which the determination must be made as to whether the land in question qualifies;
- (4) The property, if highly erodible land exists on the farm, is managed in accordance with the Natural Resources Conservation Service defined erosion control practices that are addressed to said highly erodible land; and
- (5) The property is the subject of a conservation agreement, as defined in G.S. 121-35, between the county and the owner of such land that prohibits non-farm use or

development of such land for a period of at least ten years, except for the creation of not more than three lots that meet applicable county watershed and subdivision regulations, or the regulations of any municipality which apply to the farm property. The property owner may voluntarily revoke this conservation agreement by submitting a written request to the board in accordance with Article VIII.

Section 601. Certification

The owner of the farm seeking to qualify his property for participation in the farmland preservation program ordinance shall submit written evidence that the property conforms with the requirements of Section 600 of this program. This written information shall be submitted to the Chairman of the Advisory Board or the designated staff person on forms provided by the board. The certification may be submitted at the same time the owner applies for inclusion in a district.

ARTICLE VII APPLICATION, APPROVAL AND APPEAL PROCEDURES FOR VOLUNTARY AGRICULTURAL DISTRICTS

Section 700. Creation of Voluntary Agricultural Districts

In order to implement the purposes stated in Article III, this program provides for the creation of voluntary agricultural districts which shall meet the following standards:

- (1) The district, when initially established, shall contain a minimum of 25 contiguous acres of qualified farmland, OR, two or more qualified farms which contain a minimum of 25 acres and are located within a mile of each other;
- (2) The landowner(s) requesting inclusion in the district shall execute an agreement with the county to sustain agriculture in the district in accordance with Section 600 (5) of this program. Said agreement shall be in a form which is reviewed and approved by the advisory board; and
- (3) For each district created under the terms of this program, one of the existing advisory board members shall be assigned to represent the district.

Section 701. Application to Participate

A landowner may apply to participate in the program by making application to the chairman of the advisory board or to a designated staff person. The application shall be on forms provided by the advisory board. The application to participate in a district may be filed with the certification of qualifying farmland.

Section 702. Approval Process

Upon review by the staff of the written certification and application submitted by the property owner, the board shall meet within 30 days if possible to approve or disapprove the application. The chairman shall notify the applicants by first class mail of said approval or disapproval of participation in the district.

Section 703. Appeal

If an application is denied by the Agricultural Advisory Board, the petitioner has 30 days to appeal the decision to the Watauga County Board of Commissioners. Such appeal shall be presented in writing. The decision of the Board of Commissioners is final.

ARTICLE VIII REVOCATION AND RENEWAL OF CONSERVATION AGREEMENTS

REVOCATION

By written notice to the board, a landowner of qualifying farmland may revoke the preservation agreement formulated pursuant to Section 600 (5) of this program, or the board may revoke same preservation agreement based on noncompliance by the landowner. Such revocation shall result in loss of qualifying farm status, and consequently, loss of eligibility to participate in a voluntary agricultural district and the benefits thereof. Revocation by a landowner of a preservation agreement and the resulting loss of qualifying farmland status for the purpose of participation in a voluntary agricultural district shall in no way affect the eligibility of the land to be taxed at its present use value as provided in N.C.G.S. 105-277.2 through N.C.G.S. 105-277.6. If a portion of a district is removed for any reason after being established by this program, the remaining qualified farms may remain in the program, provided they meet all other requirements except the minimum area requirements of Section 700 (1).

RENEWAL

Conservation Agreements shall be deemed automatically renewed for an additional term of 10 years, unless either the Advisory Board or the landowner gives written notice to the contrary no later than 30 days prior to the termination date.

The action above does not prevent anyone who is enrolled from withdrawing at a later date by written notice.

ARTICLE IX
AGRICULTURAL ADVISORY BOARD

Section 900. Creation

In accordance with N.C.G.S. 106-739, the Board of Commissioners hereby establishes an Agricultural Advisory Board to implement the provisions of this program ordinance.

Section 901. Appointments and Membership

The Agricultural Advisory Board shall consist of five members appointed by the Watauga County Board of Commissioners.

(1) Requirements

- (a) Each board member shall be a county resident and registered to vote in Watauga County.
- (b) Four of the five members shall be actively engaged in farming.
- (c) The four members actively engaged in farming shall be selected for appointment by the Board of Commissioners from the names of individuals submitted to the Board of Commissioners by the Watauga Soil and Water Conservation District, the Cooperative Extension Service, the Farm Service Agency Committee and the Watauga County Farm Bureau, with an effort to have the broadest geographical representation possible. The fifth member shall have special interest, experience, or education in agriculture and/or rural land preservation.

(2) Tenure. The members are to serve for terms of three years, except that the initial board is to consist of two appointee(s) for a term of one year, two appointees for terms of two years, and one appointee for a term of three years. Thereafter, all appointments are to be for terms of three years, with reappointments permitted. The terms for the initial board members will be determined by lottery.

(3) Vacancies. Any vacancy on the Agricultural Advisory Board is to be filled by the Board of Commissioners for the remainder of the unexpired term following the same procedure as for the initial appointment.

(4) Removal for Cause. Any member of the Agricultural Advisory Board may be removed for cause by the Board of Commissioners upon written charges and after a public hearing.

(5) Funding

- (a) *Compensation.* The per meeting compensation of the members of the board shall be fixed by the Board of Commissioners.
- (b) *Appropriations for performance of duties.* Funds shall be appropriated by the Board of Commissioners to the Agricultural Advisory Board to perform its duties. A budget request will be presented to the County Commissioners annually.

Section 902. Procedures

The Board shall adopt rules of procedure which are consistent with the enabling legislation and other applicable statutes.

- (1) Chairperson. The board shall elect a chairperson and vice-chairperson each year at its first meeting of the fiscal year. The chairperson shall preside over all regular or special meetings of the board. In the absence or disability of the chairperson, the vice-chairperson shall preside and shall have and exercise all the powers of the chairperson so absent or disabled. Additional officers may be elected as needed.
- (2) Jurisdiction and Procedures; Supplementary Rules. The jurisdiction and procedures of the board are set out in this article, except that the board may adopt supplementary rules of procedure not inconsistent with this article or with other provisions of law.
- (3) Board Year. The board shall use the county fiscal year as its meeting year.
- (4) Meetings. Meetings of the board, following such notice as required by this article, shall be held at the call of the chairperson and at such other times as the board in its rules of procedure may specify. A called meeting shall be held at least quarterly. A quorum shall consist of a majority of the members of the board.
- (5) Voting. The concurring vote of a majority of the members of the board shall be necessary to reverse any order, requirement, decision or determination of any administrative official or agency, to decide in favor of an applicant, or to pass upon any other matter on which it is required to act under this article.
- (6) Records. The board shall keep minutes of the proceedings showing the vote of each member upon each question, or if absent or failing to vote, indicating such fact, and shall keep records of its examinations and other official actions, all of which shall be immediately filed in the office of the board and shall be a public record.
- (7) Administrative Services. The Soil and Water Conservation District office shall serve the agricultural advisory board for recordkeeping, correspondence, application

procedures under this article together with such other services the board needs to complete its duties.

Section 903. Duties

The Agricultural Advisory Board shall:

- (1) Review and approve applications for qualified farmland and voluntary agricultural districts.
- (2) Hold public hearings pursuant to Article X of this program.
- (3) Advise the Board of Commissioners on projects, programs, or issues affecting the agricultural economy or activities within the county and that will affect agricultural districts.
- (4) Perform other related tasks or duties assigned by the Board of Commissioners.

ARTICLE X PUBLIC HEARINGS ON CONDEMNATION OF FARMLAND

Section 1000. Purpose

Pursuant to N.C.G.S. 106-740, no state or local public agency or governmental unit may formally initiate any action to condemn any interest in qualifying farmland within a voluntary agricultural district until such agency or unit has requested the Agricultural Advisory Board to hold a public hearing on the proposed condemnation. The procedures for such hearings shall be as set forth below.

Section 1001. Procedures

- (1) Establish Public Hearing. Upon receipt of a request for a public hearing, the Agricultural Advisory Board shall have 30 days to set a date for a public hearing on the proposed condemnation pursuant to N.C.G.S. 106-740. No formal initiation of condemnation shall be initiated while the proposed condemnation is properly before the board within the time limitations set forth in this section.
- (2) Notice of Public Hearing. The board shall run a notice of the public hearing in a newspaper having general circulation in Watauga County at least 10 days prior to the date established for the hearing. The notice shall contain the date, time and place of the hearing and shall provide the name of the agency requesting the hearing and the purpose of the condemnation.
- (3) Public Hearing. The board shall conduct the public hearing and receive information

and comments from the agency requesting the condemnation action and the citizens of Watauga County. Additionally, the board shall review the following:

- (a) Has the need for the project requiring the condemnation been satisfactorily shown by the agency requesting the action?
- (b) Has a financial impact analysis been conducted by the agency seeking the action?
- (c) Have alternatives been considered to the proposed action that are less disruptive to the agricultural activities and farmland base of the voluntary agricultural district within which the proposed action is to take place?

The board shall invite and allow input by the county Cooperative Extension agent, U.S.D.A. Natural Resources Conservationist, the Farm Service Agency, and may consult with any other individuals, agencies or organizations, public or private, necessary to the board's review of the proposed action.

- (4) Findings and Notification. Within 10 days after the public hearing, the board shall make a report containing its findings and recommendations regarding the proposed action. The report shall be conveyed to the decision-making body of the agency proposing acquisition and made available to the public for comment.

ARTICLE XI LAND USE INCENTIVES TO VOLUNTARY AGRICULTURAL DISTRICT FORMATION

Section 1100. Purpose

The purpose of this section is to help meet the needs of agriculture as an industry and prevent conflicts between voluntary agricultural district participants and non-farm landowners in proximity to districts.

Section 1101. Public Notification

- (1) The Advisory Board, in cooperation with the county, shall take measures as set forth below to provide notification to property owners, residents, and other interested persons in and adjacent to any designated agricultural district with a goal of informing all current and potential residents and property owners in and adjacent to an agricultural district, that farming and agricultural activities may take place in this district any time during the day or night.
 - (a) Signs identifying approved agricultural districts shall be placed by the farmer upon the property and along the rights-of-way of major roads in a way

calculated to reasonably notify the public and adjoining owners of the presence of the farm property.

- (b) Information identifying approved districts shall be provided to the Register of Deeds office, the Watauga Soil and Water Conservation District, the Cooperative Extension office, the Farm Service Agency, the Watauga County Planning and Inspections Department, and the Watauga County Tax Department.
- (c) The following notice shall be displayed in a prominent position in the office of the Register of Deeds and the public access area in the Watauga County Tax Department:

NOTICE TO REAL ESTATE PURCHASERS IN WATAUGA COUNTY
WATAUGA COUNTY AGRICULTURAL DISTRICTS

Watauga County has established agricultural districts to protect and preserve agricultural lands and activities. These districts have been developed and mapped to inform all purchasers of real property that certain agricultural activities, including but not limited to pesticide spraying, manure spreading, machinery and truck operations, livestock operations, sawing, and similar activities may take place in these districts any time during the day or night. Maps and/or information on the location and establishment of these districts can be obtained from the Cooperative Extension office, County Planning and Inspections Department, Natural Resources Conservation Service, the Farm Service Agency office, and the County Tax Department.

- (2) Limit of liability -- In no event shall the County or any of its officers, employees, or agents be held liable in damages for any misfeasance, malfeasance, or nonfeasance occurring in good faith in connection with the duties or obligations imposed by this ordinance.
- (3) No cause of action -- In no event shall any cause of action arise out of the failure of any person, including a person researching the title of a particular tract to report to any person the proximity of the tract to a qualifying farm or voluntary agricultural district as defined in this ordinance.

Section 1102. Expenditure of County Funds for Non-Farm Uses

Prior to expending any monies which would convert land in a voluntary agricultural district to non-farm uses, the county or any other local unit of government shall submit to the Advisory Board detailed information showing that said governmental unit has considered alternatives. Such consideration shall include the criteria listed in Article X, Section 1001 (3), (a) through (c).

Section 1103. No Districts in Designated Growth Corridors

Agricultural districts will not be permitted in designated growth corridors, as delineated on the official county planning map without the approval of the Board of Commissioners. Districts located in growth corridors designated after the effective date of this program may remain, but shall not be expanded within the growth corridor area without the approval of the Board of Commissioners. Districts located in growth corridors designated after the effective date of this program may expand to include adjoining property purchased by a landowner presently participating in the Watauga County Voluntary Farmland Preservation Program Ordinance. The approval of the Board of Commissioners will be on a case by case basis.

Section 1104. Waiver of Water and Sewer Assessments

- (1) Purpose of Section. The purpose of this section is to help mitigate the financial impacts on farmers by some local and state capital investments unused by such farmers.
- (2) Procedure. The waiver procedure shall be as follows:
 - (a) Landowners belonging to voluntary agricultural districts shall not be assessed for, or required to connect to, water and/or sewer systems.
 - (b) Water and sewer assessments shall be held in abeyance, without interest, for farms inside a voluntary agricultural district, until improvements on such property are connected to the water or sewer system for which the assessment was made.
 - (c) When the period of abeyance ends, the assessment is payable in accordance with the terms set out in the assessment resolution.
 - (d) Statutes of limitations are suspended during the time that any assessment is held in abeyance without interest.
 - (e) Assessment procedures followed under G.S. 153A-185 et seq. shall conform to the terms of this article with respect to qualifying farms that entered into preservation agreements while such article was in effect.
 - (f) Nothing in this section is intended to diminish the authority of the county to hold assessments in abeyance under G.S. 153A-201.

ARTICLE XII NORTH CAROLINA AGENCY NOTIFICATION

Section 1200. Consultation with N.C. Department of Agriculture and Other Agencies

The board may consult with the Cooperative Extension office, the Natural Resources Conservation Service office, the Farm Service Agency office, the N.C. Department of Agriculture, and any other such agency the board deems necessary to properly conduct its business.

Section 1201. Recording the Program Ordinance

An official copy of this program ordinance shall be recorded with the North Carolina Commissioner of Agriculture's office after adoption. At least once a year, the county shall submit a written report to the Commissioner of Agriculture, including the status, progress and activities of the county's farmland preservation program, and voluntary agricultural districting information regarding:

- (1) Number of landowners enrolled;
- (2) Number of acres applied;
- (3) Number of acres certified;
- (4) Number of acres denied; and
- (5) Date certified.

ARTICLE XIII
LEGAL PROVISIONS

Section 1300. Severability, Conflict with Other Ordinances and Statutes, and Amendments

- (1) Severability. If any article, section, subsection, clause, phrase or portion of this ordinance is for any reason invalid or unconstitutional as determined by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.
- (2) Conflict with other ordinances and statutes. Whenever the provisions of this ordinance conflict with other ordinances of Watauga County, this ordinance shall govern. Whenever the provisions of any federal or state statute require more restrictive provisions than are required by this ordinance, the provisions of such statute shall govern.
- (3) Amendments. This ordinance may be amended from time to time after a public hearing, notice of which will be given in accordance with the Public Meeting Laws, GS

143-318.12, and in consultation with the Agricultural Advisory Board to the Board of Commissioners.

ARTICLE XIV
ENACTMENT

The Watauga County Board of Commissioners hereby adopts and enacts the preceding articles and sections of this ordinance.

ADOPTED this the 16th day of November, 2010.

James M. Deal, Jr., Chairman
Watauga County Board of Commissioners

ATTEST:

Anita Fogle, Clerk to the Board

[SEAL]

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AGENDA ITEM 10:**MISCELLANEOUS ADMINISTRATIVE MATTERS*****A. Watauga County Arts Council Lease Proposal*****MANAGER'S COMMENTS:**

Per Board direction, a lease has been drafted between the County and the Watauga County Arts Council (WCAC). The property to be leased is located at 377 Shadowline Drive (New River Building) for the purpose of establishing the Blue Ridge ArtSpace. Activities such as visual arts galleries, art and music classes, and a gift shop are planned for the space. The term of the lease is for two (2) years commencing April 16, 2013 and ending on April 15, 2015, and shall automatically renew for successive ninety (90) day periods unless either party gives notice of its intent not to renew. Rent is one dollar (\$1) per year and any subleases must be approved by the Board.

Should the County desire to enter into the lease, a resolution by the Board authorizing the execution of the lease must be adopted at a regular Board meeting upon 10 days' public notice. Notice shall be given by publication describing the property to be leased, stating the annual lease payments, and announcing the Board's intent to authorize the lease at its next regular meeting.

Board action is request to tentatively approve the lease with the Watauga County Arts Council; adopt the resolution authorizing the execution of the lease; and direct staff to provide public notice of the Board's intent to lease the property at 377 Shadowline Drive for one dollar (\$1) a year for a two (2) year period to the Watauga County Arts Council to be approve at the Board's regularly scheduled meeting on May 6, 2013.

DRAFT**STATE OF NORTH CAROLINA****COUNTY OF WATAUGA****Resolution of Watauga County Board of County Commissioners**

Pursuant to NCGS 160A-272, notice is hereby given that at the regular commissioner meeting of the Watauga County Board of County Commissioners on April 16, 2013, the Watauga County Board of County Commissioners adopted a resolution which authorized Deron T. Geouque, County Manger, of Watauga County to lease to the Watauga County Arts Council that certain building known as the Old New River Building (the "Leased Premises") located at 377 Shadowline Drive, Boone, NC 28607 (the "Property") in Watauga County, North Carolina, and being approximately 0.537 acres of property, for a term of two (2) years, with automatic ninety (90) day renewals unless either Watauga County or the Watauga County Arts Council gives written notice no less than sixty (60) days that the other party intends not to renew the Lease Agreement. The rent to be paid by the Watauga County Arts Council to Watauga County during the term of the lease is One Dollar (\$1.00) per annum. The lease shall become effective ten (10) days after the publication of this notice and formal adoption of the lease by the Board of Commissioners.

Nathan Miller, Chairman
Watauga County Board of County Commissioners

ATTEST:

Anita Fogle, Clerk to the Board

This instrument drawn by: Eggers, Eggers, Eggers and Eggers, Attorneys at Law, Boone, N. C. 28607

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF WATAUGA

THIS LEASE AGREEMENT, made and entered into this ____ day of April, 2013, by and between Watauga County, a body politic of the State of North Carolina, hereinafter referred to as Lessor; and the Watauga County Arts Council, Inc., a non-profit corporation duly formed and existing pursuant to the laws of the State of North Carolina, hereinafter referred to as Lessee;

W I T N E S S E T H :

1. PREMISES: That for and in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set forth, the Lessor does hereby demise and lease unto the Lessee and the Lessee does hereby lease from the Lessor the property located at 377 Shadowline Drive; Boone, NC 28607.

2. ACCEPTANCE OF PROPERTY: Neither the Lessor nor its agents have made any representations with respect to the building, the land upon which it is erected, or the leased property except as expressly set forth therein and no rights, easements, or licenses are acquired by the Lessee by implication or otherwise except as expressly set forth in the provisions of this Lease. The taking of possession of the leased property by the Lessee shall be conclusive evidence that the Lessee accepts the

same "as is" with the exception of the provision for improvements as set forth herein.

3. **TERM**: This lease shall be for a term of two years, commencing on April 16, 2013 and ending on April 15, 2015, and shall automatically renew for successive ninety (90) day periods upon the termination of this term upon the same terms and conditions contained herein unless either party provides to the other not less than sixty (60) days notice that the other party intends not to renew the Lease Agreement.

4. **RENT**: The Lessee shall pay to the Lessor, rent for the premises in the amount of one dollar (\$1.00) per year for each of the years under the term of this agreement. For each renewal period following the initial term of this Lease, Lessee shall pay to Lessor rent in the amount of one dollar (\$1.00) for each renewal period under the Lease.

All such payments required under this lease shall be made to Watauga County, c/o Margaret Pierce, Finance Director, 814 West King Street, Suite 216, Boone, North Carolina, 28607, or to such other person or at such other place as Lessor may designate in writing.

5. **USE OF THE PREMISES**: Lessee represents and warrants that it is a North Carolina not-for-profit corporation and that its primary purpose is the promotion of art, music, and related educational activities within Watauga County. The Lessor finds that the development and promotion of art, music, and related educational activities is an appropriate community activity which it is authorized to support in accordance with

North Carolina law. As such the premises subject to this agreement shall only be used for activities related to visual art galleries, art and music classes, educational programs, craft enrichment, cultural enrichment programs, meeting, events, and similar activities.

6. INSURANCE: The Lessee shall obtain a public liability insurance policy for the minimum coverage of \$500,000 bodily injury and property damage liability (combined single limit), \$500,000 each occurrence and \$500,000 aggregate. Lessor shall be named as an additional insured on said policy and shall be furnished with a copy of same. Upon the Lessee's failure to obtain said public liability insurance policy, Lessor, may at its option, but is not required to do so, obtain such insurance and the costs thereof shall be paid as additional rent due and payable from Lessee on the next ensuing day that rent is due. Lessor shall not be liable to Lessee for any business interruption or any loss or damage to property or injury or death of persons occurring in or on the demised premises, or in any manner growing out of or connected with the Lessees' use and occupancy of the demised premises, or the condition thereof. This release shall also apply to the extent that such business interruption, loss or damage to property or injury to or death of persons is covered by insurance, regardless of whether such insurance is payable to or protects Lessor or Lessee, or both. Nothing herein shall be construed to impose any other or greater liability upon Lessor than what would have existed in the absence of this provision. Any insurance policies of the Lessee shall contain a

clause to the effect that this release shall not affect the right of the insured to recover under such policies. The release in favor of the Lessor contained herein is in addition to and not in substitution for or in diminution of, the hold harmless and indemnification provisions of this Lease Agreement.

7. REPAIRS: Except as otherwise provided herein, the Lessee shall, at the Lessee's own expense, make all necessary repairs and replacements to the interior and exterior of the demised premises. All repairs and replacements shall be in quality and class at least equal to the original work. Upon default of the Lessee in making such repairs or replacements, the Lessor, may, but shall not be required to, make such repairs or replacements for the Lessee's account and the expense thereof which shall constitute and be collectable as additional rent.

Lessee shall perform any and all necessary maintenance upon the property, including but not limited to maintaining the porch, walkways, parking lot, sideyards, and landscaping.

8. IMPROVEMENTS OF THE PROPERTY: Any alterations or improvements may only be made by the Lessee with the written consent of the Lessor, which shall not be unreasonably withheld. Any alteration, addition or improvement made by Lessee, and any fixtures installed as a part thereof, shall at Lessor's option become the property of the Lessor, upon the expiration or other sooner termination of this lease; provided, however, that Lessor shall have the right to require the Lessee to remove

such fixtures at the Lessee's cost upon such termination of this lease.

With the written consent of the Lessor which shall not be unreasonably withheld, the Lessee shall have the right to construct, erect, place, paint, maintain and control of the demised premises, any sign or signs which may be necessary in the conduct of its business within the requirements of the Town of Boone Unified Development Ordinance, and it shall have the right to remove the sign or signs at the expiration or earlier termination of this lease, provided, that upon the removal of said sign or signs, the said building shall be put in the same condition it was in at the time of the placing or painting of said signs, as far as is reasonably possible.

9. SECURITY DEPOSIT: The Lessor shall not require Lessee to post a security deposit with Lessor during the term of this Lease Agreement.

10. UTILITIES: The Lessee shall pay all charges for gas, electricity, lights, heat, power and telephone or other communication service used, rendered or supplied upon or in connection with the demised premises and shall indemnify Lessor against any liability or damages on such account. Lessee shall pay all charges for water and sewer service used, rendered or supplied upon or in connection with the demised premises and shall indemnify Lessee against any liability or damage on such account. Utilities shall be transferred to the Lessee as soon as feasible upon the signing of this lease.

11. ASSIGNING AND SUBLETTING: The Lessee shall not assign this

lease or sublet any part of the demised premises without the prior written consent of Lessor, which shall not be unreasonably withheld. Lessor understands and agrees that Lessee will operate programs within the Leased Premises in conjunction with the Appalachian State University Hayes School of Music Community Music School and the Michael Patricelli Craft Enrichment Program, which are specifically approved by the Lessor to conduct programs and other functions as a licensee of the premises, so long as they comply with all terms and conditions of this Agreement.

12. SURRENDER OF THE DEMISED PREMISES: At the expiration of the lease term, the Lessee shall surrender the demised premises in as good a condition as they were in at the beginning of the term. The parties agree and understand that the Lessor has currently determined that the Leased Premises are listed for sale by Lessor and Lessor enters into this Lease pursuant to a finding that it does not have a present need for this location pursuant to N.C. Gen. Stat. §160A-272. In the event the Lessor receives an Offer to Purchase the premises described herein, it shall utilize the negotiated offer, advertisement, and upset bid method as described in N.C. Gen. Stat. §160A-266. Upon a determination by the Lessor that it intends to accept such an offer, it shall advertise the offer in accordance with applicable law and provide written notice to Lessee and an opportunity to bid upon the property as defined by Statute. In the event the Lessor enters into a contract for the sale of the Leased Premises

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to a party other than the Lessee, this Lease may be terminated by Lessor upon ninety (90) days written notice to Lessee.

13. DAMAGE OR DESTRUCTION BY FIRE: In the event that the demised premises shall be damaged or destroyed by fire, the elements or other casualty, during the continuance of this lease, to such extent that same cannot be restored to as good a condition as same were in prior to such damage within sixty (60) days thereafter, either the Lessor or Lessee shall have the right to cancel or terminate this lease with the rents to be adjusted as of the date of the damage or destruction. Lessee shall be responsible for all of its personal property on or about the demised premises and shall keep the same adequately insured against loss by fire or the elements.

14. CONDEMNATION: If the whole of the demised premises shall be condemned and taken by any governmental authority or other entity having a power of eminent domain, then this lease shall immediately terminate, and the Lessee shall have no interest in any damages and/or monies paid by virtue of such condemnation.

In the event of a partial appropriation or condemnation of the demised premises that does not materially affect the Lessee's use thereof, the Lessee shall continue in possession of the unappropriated part of the demised premises under the terms and conditions hereof, except that in such case if the Lessee actually loses the use of part of the demised premises, the Lessee shall be entitled to an equitable reduction in rent

payable hereunder. In the event such partial appropriation or condemnation materially affects the Lessee's use of the demised premises, the Lessee may, at its option, terminate this lease and Lessor shall refund the Lessee any unearned rental existing at the time of said termination. However, the Lessee shall have no interest in any damages and/or monies paid by virtue of such condemnation.

Notwithstanding the foregoing, Lessee shall be entitled to a separate award made to Lessee for loss of business, moving expense or the taking of Lessee's fixtures or equipment, if a separate award for such items is made.

15. INDEMNITY: Except where caused by the intentional act of the Lessor, or its agents, employees, licensees or assigns, the Lessee shall indemnify and save Lessor harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the demised premises or any part thereof, or occasioned wholly or in part by any act or omission of the Lessee, its agents, employees or invitees. In case the Lessor (the Indemnified party) shall, without fault on its part, be made a party to any litigation instituted against the Lessee (the indemnifying party), then the indemnifying party shall protect and hold the indemnified party harmless and shall pay all costs, expenses and reasonable attorneys' fees that may be incurred or paid by the indemnified party in such litigation. In

addition, Lessee shall pay all costs, expenses and reasonable attorneys' fees that may be incurred or paid by Lessor in enforcing the covenants and agreements of the Lessee contained in this lease.

16. DAMAGES: If the demised premises shall be deserted or vacated, or if proceedings are commenced against the Lessee in any court under a bankruptcy act or for the appointment of a trustee or receiver of the Lessees' property either before or after the commencement of the lease term, or if there shall be a default in the payment or rent or any part thereof for more than five (5) days after written notice that rent is past due by Lessor to Lessee, or if there shall be a default in the performance of any other covenant, agreement, condition, rule or regulation herein contained, or hereafter established on the part of the Lessee for more than twenty (20) days after written notice of such default by Lessor, this lease (if Lessor so elects) shall thereupon become null and void, and the Lessor shall have the right to re-enter or repossess the demised premises, either by force, summary proceedings, surrender or otherwise and dispossess and remove therefrom the Lessee, or other occupants thereof, and their effects, without being liable to any prosecution thereof. In such case, Lessor may, at its option, relet the demised premises or any part thereof, as the agent of the Lessee, and the Lessee shall pay Lessor the difference between the rent hereby reserved and agreed to be paid by the Lessor for the portion of the term remaining at the time of re-entry or repossession and the amount, if any, received or to be received under

such reletting for such portion of the term.

17. QUIET ENJOYMENT: Lessor covenants that if and so long as Lessee pays the basic rent and performs all of the terms, covenants and conditions of this lease on Lessee's part to be performed, Lessee shall peaceably and quietly have, hold and enjoy the demised premises for the term of this lease, but always subject to the provisions of the lease.

18. NOTICE: All notices, consents, requests, instructions or other communications provided for herein, shall be deemed validly given, made and served if in writing and either delivered personally or sent by certified or registered mail, postage prepaid and, pending the designation of another address, addressed as follows:

IF TO LESSEE: Watauga County Arts Council, Inc.
 Attn: Cherry Johnson
 Post Office Box 366
 Boone, NC 28607

IF TO LESSOR: Watauga County
 c/o Deron Geouque, Watauga County Manager
 814 West King Street, Suite 205
 Boone, NC 28607

Any such notices, consents, requests, instructions or other communications sent by certified or registered mail shall for the purposes of this lease be considered received two (2) days after it is deposited in the United States Mail, postage prepaid.

19. MISCELLANEOUS: All rights and liabilities herein given to or imposed upon either of the parties hereto, shall extend to the principals, assigns and, administrators of such parties. Unless the context expressly

or impliedly requires or indicates a contrary meaning whenever used in this lease, a noun or pronoun in any gender shall include the remaining genders, the singular shall include the plural and the plural shall include the singular. The parties agree that each party has participated in the drafting and negotiation of this Lease Agreement and that the terms contained herein shall not be construed against either party. The laws of the State of North Carolina shall control this lease. This agreement comprises the entire understanding of the parties and may only be modified in writing, properly executed by the parties.

IN WITNESS WHEREOF, the said Lessor and Lessee have caused this instrument to be duly executed and sealed, the day and year first above written.

LESSOR:

LESSEE:

_____(SEAL)
Nathan A. Miller, Chairman
Watauga County Board
of Commissioners

_____(SEAL)
Watauga County Arts, Council,
Inc.
By: _____
Title: _____

Attest:

Attest:

Anita Fogle, Clerk to the Board

By: _____
Title: _____

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Margaret Pierce

Watauga County Finance Director

AGENDA ITEM 10:

MISCELLANEOUS ADMINISTRATIVE MATTERS

B. Watauga Solar Lease Amendment

MANAGER'S COMMENTS:

At the Annual Budget Retreat in February, the Board directed staff to modify the current Watauga Solar lease to reflect the need for insurance to be in place only when the company determines it is feasible to construct the project and requires being on County property for review, analysis, or construction.

The County Attorney has drafted the necessary changes for the Board's consideration and adoption.

Staff requests direction from the Board.

STATE OF NORTH CAROLINA
COUNTY OF WATAUGA

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO LEASE AGREEMENT, by and between Watauga County, as Landlord, and Watauga Solar, LLC, as Tenant, is for the purpose of amending that certain lease agreement between the parties dated September 1, 2010;

WHEREAS, the parties to this Agreement signed and executed a Lease of a portion of the capped landfill site owned by Watauga County on or about September 1, 2010; and

WHEREAS, Watauga Solar, LLC intended to use the property for purposes of producing solar photovoltaic energy upon the site; and

WHEREAS, Watauga Solar, LLC does not currently see this project as economically viable, but remains willing to continue to lease the premises with the hope that financial models will improve for this type of project; and

WHEREAS, Watauga Solar, LLC is currently not using the property in relation to the purposes of its Lease, and acknowledges that the planning, implementation, and construction phases of the project are not underway; and

WHEREAS, the parties agree that it is an unnecessary cost for the Tenant to maintain insurance on the premises during a period of time when the premises are not being used; and

WHEREAS, the parties desire to amend the underlying Lease Agreement to reflect these developments.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Section 13 of the Lease Agreement between the parties is hereby amended to include the following subsection:

(c) The requirements to obtain insurance upon the property as set forth herein shall only become effective upon any use of the property by Watauga Solar, LLC beyond visual assessment activities. Prior to any construction activities being planned or commenced, upon the execution of any partnering agreement, or prior to any activities being performed upon the leased property, Watauga Solar, LLC shall immediately obtain such insurance as described in subsections (a) and (b) of Section 13 of the Lease Agreement. Until such insurance is purchased, Watauga Solar, LLC, its representatives, officers, members, managers, directors, or related parties shall not enter the capped area of the landfill without first notifying the Watauga County Manager and arranging for supervision if such is deemed appropriate by the County. Such access shall only be for visual assessment of the property only, and no type of construction activity or investigation shall occur until insurance is purchased in accordance with the underlying Lease Agreement.

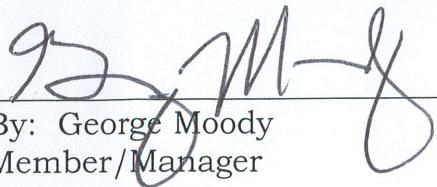
2. All remaining terms and conditions contained in the underlying Lease Agreement between the parties shall remain in full force and effect.

This the ____ day of _____, 2013.

Watauga County

Watauga Solar, LLC

By: Nathan A. Miller
Chairman, Watauga County Board
Of Commissioners



By: George Moody
Member/Manager

Attest:

Anita Fogle, Clerk to the Board

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Margaret Pierce
Watauga County Finance Officer

STATE OF NORTH CAROLINA

COUNTY OF WATAUGA

I, _____, Notary Public, do hereby certify that Nathan A. Miller, Chairman of the Watauga County Board of Commissioners, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial seal, this ____ day of _____, 2013.

_____(SEAL)
Notary Public

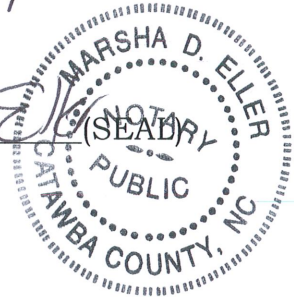
My commission expires _____

STATE OF NORTH CAROLINA

COUNTY OF CATAWBA

I, Marsha D Eller, Notary Public, do hereby certify that George Moody, as Member/Manager of Watauga Solar, LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial seal, this 9 day of April, 2013.

Marsha D Eller
Notary Public


My commission expires 3-30-18

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AGENDA ITEM 10:**MISCELLANEOUS ADMINISTRATIVE MATTERS*****C. Consideration to Change Sales Tax Distribution from Per Capita to Ad Valorem*****MANAGER'S COMMENTS:**

Per Commissioner request, a resolution selecting the ad valorem method for sales tax distribution has been included for Board consideration. A chart has been provided detailing the difference in sales tax revenues received by the County and its municipalities based on the method (ad valorem versus per capita) selected for sales tax distribution.

By changing from the per capita to ad valorem method the County would see a reduction of approximately \$1,069,239. This is based on the County losing \$182,252 in sales tax revenue and the required distribution of approximately \$886,987 from the County's portion of the sales tax amount to the County fire districts. Currently under the per capita method distribution the County is not required to provide sales tax revenues to the fire districts.

However, the Towns of Beech Mountain, Blowing Rock, and Seven Devils have provided resolutions holding the County harmless based upon the reallocation of sales tax revenues to an ad valorem method. The Towns would provide, as part of its budgetary process, an amount equal to sixty percent (60%) of the increase in gross revenues accruing to the Towns over and above the amount which would have been realized under the per capita method. Staff projects a net increase of about \$400,000 to \$550,000 with the Towns contributing sixty percent (60%) of the increase in gross sales tax revenues to the County.

Staff seeks direction from the Board.

Per Capita -- FY 2011-2012

MUNICIPALITY NAME	Pop %	ARTICLE 40 AMOUNT	ARTICLE 42 AMOUNT	ARTICLE 39 AMOUNT	ARTICLE 44 AMOUNT	CITY HOLD HARMLESS	DISTRIBUTABLE AMOUNT
WATAUGA	73.14209%	\$ 2,226,080.65	\$ 2,594,876.94	\$ 5,312,746.26	\$ 2,947.05	\$ (638,716.45)	\$ 9,497,934.45
BEECH MOUNTAIN	0.42466%	\$ 13,238.78	\$ 15,476.92	\$ 31,692.37	\$ 16.49	\$ 10,323.83	\$ 70,748.39
BLOWING ROCK	1.70721%	\$ 53,496.18	\$ 62,578.55	\$ 128,147.37	\$ 65.80	\$ 41,701.06	\$ 285,988.96
BOONE	24.49090%	\$ 743,797.24	\$ 866,796.37	\$ 1,774,652.44	\$ 989.89	\$ 581,151.70	\$ 3,967,387.64
SEVEN DEVILS	0.23513%	\$ 7,086.05	\$ 8,249.98	\$ 16,889.89	\$ 9.60	\$ 5,539.86	\$ 37,775.38
TOTAL	100.00000%	\$ 3,043,698.90	\$ 3,547,978.76	\$ 7,264,128.33	\$ 4,028.83	\$ 0.00	\$ 13,859,834.82

Ad Valorem -- FY 2011-2012

MUNICIPALITY NAME	Ad Valorem %	ARTICLE 40 AMOUNT	ARTICLE 42 AMOUNT	ARTICLE 39 AMOUNT	ARTICLE 44 AMOUNT	CITY HOLD HARMLESS	DISTRIBUTABLE AMOUNT
WATAUGA	71.70093%	\$ 2,181,927.15	\$ 2,543,414.67	\$ 5,207,382.74	\$ 2,888.57	\$ (619,930.96)	\$ 9,315,682.17
BEECH MOUNTAIN	7.70357%	\$ 236,301.48	\$ 275,458.31	\$ 563,976.38	\$ 312.06	\$ 169,925.36	\$ 1,245,973.59
BLOWING ROCK	6.89921%	\$ 212,532.96	\$ 247,754.98	\$ 507,257.95	\$ 280.30	\$ 152,823.84	\$ 1,120,650.04
BOONE	12.32776%	\$ 371,333.77	\$ 432,854.84	\$ 886,220.81	\$ 492.81	\$ 267,260.56	\$ 1,958,162.79
SEVEN DEVILS	1.36853%	\$ 41,603.53	\$ 48,495.95	\$ 99,290.45	\$ 55.09	\$ 29,921.20	\$ 219,366.23
TOTAL	100.00000%	\$ 3,043,698.90	\$ 3,547,978.76	\$ 7,264,128.33	\$ 4,028.83	\$ (0.00)	\$ 13,859,834.82

Difference -- FY 2011-2012

MUNICIPALITY NAME	% Diff	ARTICLE 40 AMOUNT	ARTICLE 42 AMOUNT	ARTICLE 39 AMOUNT	ARTICLE 44 AMOUNT	CITY HOLD HARMLESS	DISTRIBUTABLE AMOUNT
WATAUGA	-1.44116%	\$ (44,153.50)	\$ (51,462.27)	\$ (105,363.52)	\$ (58.48)	\$ 18,785.49	\$ (182,252.28)
BEECH MOUNTAIN	7.27890%	\$ 223,062.70	\$ 259,981.39	\$ 532,284.01	\$ 295.57	\$ 159,601.53	\$ 1,175,225.20
BLOWING ROCK	5.19200%	\$ 159,036.78	\$ 185,176.43	\$ 379,110.58	\$ 214.50	\$ 111,122.78	\$ 834,661.08
BOONE	-12.16314%	\$ (372,463.47)	\$ (433,941.53)	\$ (888,431.63)	\$ (497.08)	\$ (313,891.14)	\$ (2,009,224.85)
SEVEN DEVILS	1.13340%	\$ 34,517.48	\$ 40,245.97	\$ 82,400.56	\$ 45.49	\$ 24,381.34	\$ 181,590.85
TOTAL	0.00000%	\$ -	\$ 0.00	\$ (0.00)	\$ -	\$ -	\$ (0.00)

total County levy	30,912,743	\$ 182,252
fire districts levy	2,943,338	\$ 886,987
fire districts percent of distribution	9.5214%	\$ 1,069,239
dollar amount of distribution	\$ 886,987.00	

DRAFT

STATE OF NORTH CAROLINA

COUNTY OF WATAUGA

**RESOLUTION SELECTING AD VALOREM METHOD
FOR SALES TAX DISTRIBUTION**

WHEREAS, pursuant to North Carolina General Statutes 105-472 (b), the Secretary of Revenue shall divide the amount of sales taxes allocated to each taxing County among the County and its Municipalities in accordance with the method determined by the County; and

WHEREAS, Watauga County has determined to utilize the ad valorem method for sales tax distribution which shall be in effect during the next succeeding Fiscal Year 2013-2014; and

WHEREAS, the Towns of Beech Mountain, Blowing Rock, and Seven Devils upon reallocation of the sales tax revenues to an ad valorem method will provide, as part of their budgetary process, an amount equal to sixty percent (60%) of the increase in gross revenues accruing to the Towns over and above the amount which would have otherwise been realized under the per capita method, to costs and expenditures as requested by the County.

NOW, THEREFORE, BE IT RESOLVED, by the Watauga County Board of Commissioners that:

1. Pursuant to N.C.G.S. 105-472 (b)(2) beginning with Fiscal Year 2013-2014, the ad valorem method of distribution of the sales tax shall be employed in Watauga County. This method of distribution shall continue in effect for all following fiscal years unless changed by Resolution of the Board pursuant to N.C.G.S Section 105-472 (b).

2. A certified copy of this resolution shall be delivered to the Secretary of Revenue within fifteen (15) calendar days after the adoption of this Resolution as required by N.C.G.S. Section 105-472 (b).

ADOPTED this the 16th day of April, 2013.

Nathan A. Miller, Chairman
Watauga County Board of Commissioners

ATTEST:

Anita J. Fogle, Clerk to the Board

RESOLUTION No. 2013-05

TOWN OF BEECH MOUNTAIN

**A RESOLUTION IN SUPPORT OF THE REALLOCATION OF SALES TAX
WITHIN WATAUGA COUNTY**

WHEREAS, the Town of Beech Mountain is a municipal subdivision and body politic of the State of North Carolina located in Watauga and Avery Counties; and

WHEREAS, N.C. Gen. Stat. §105-472 provides for the allocation of sales tax between cities and counties within North Carolina; and

WHEREAS, N.C. Gen. Stat. §105-472(b) allows a Board of County Commissioners to determine, on a yearly basis, whether such allocation is made on a *per capita* distribution or an *ad valorem* distribution; and

WHEREAS, for a number of years, Watauga County has distributed sales tax revenues on a *per capita* basis to the towns and cities within Watauga County; and

WHEREAS, the distribution of sales tax revenues on a *per capita* basis has resulted in an inequitable share of the sales tax revenues being distributed to one municipality to the disadvantage of the towns of Blowing Rock, Beech Mountain, and Seven Devils; and

WHEREAS, the Town of Beech Mountain acknowledges that Watauga County would potentially lose revenue under this change were it not assisted by the municipalities in supporting this change in the distribution of sales tax revenues; and

WHEREAS, the Town of Beech Mountain is willing to assist Watauga County in addressing its financial needs upon the reallocation of sales tax revenues to an *ad valorem* method from a *per capita* method; and

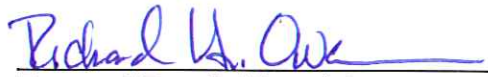
WHEREAS, the Town of Beech Mountain appreciates its good working relationship with Watauga County and the ability of the Town and County to address issues within the community to the mutual benefit of the citizens of both the Town of Beech Mountain and Watauga County.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BEECH MOUNTAIN, NORTH CAROLINA AS FOLLOWS:

1. That the Town of Beech Mountain supports and encourages the Watauga County Board of Commissioners to Adopt and Pass a Resolution altering the distribution of sales tax revenues between Watauga County and the municipalities from a *per capita* method to an *ad valorem* method.

2. That the Town of Beech Mountain is willing to commit to Watauga County that upon the reallocation of sales tax revenues to an *ad valorem* method that the Town of Beech Mountain will provide, as part of its budgetary process, an amount equal to sixty percent (60%) of the increase in gross revenues accruing to the Town over and above the amount which would have otherwise been realized under the *per capita* method, to costs and expenditures as requested by Watauga County.

Adopted this the 9th day of April, 2013.


Town of Beech Mountain
Rick Owen, Mayor

Attest:


Jennifer Broderick, Clerk
Town of Beech Mountain



TOWN OF BLOWING ROCK**A RESOLUTION IN SUPPORT OF THE REALLOCATION OF SALES TAX
WITHIN WATAUGA COUNTY**

WHEREAS, the Town of Blowing Rock is a municipal subdivision and body politic of the State of North Carolina located in Watauga and Caldwell Counties; and

WHEREAS, N.C. Gen. Stat. §105-472 provides for the allocation of sales tax between cities and counties within North Carolina; and

WHEREAS, N.C. Gen. Stat. §105-472(b) allows a Board of County Commissioners to determine, on a yearly basis, whether such allocation is made on a *per capita* distribution or an *ad valorem* distribution; and

WHEREAS, for a number of years, Watauga County has distributed sales tax revenues on a *per capita* basis to the towns and cities within Watauga County; and

WHEREAS, the distribution of sales tax revenues on a *per capita* basis has resulted in an inequitable share of the sales tax revenues being distributed to one municipality to the disadvantage of the towns of Blowing Rock, Beech Mountain, and Seven Devils; and

WHEREAS, the Town of Blowing Rock acknowledges that Watauga County would potentially lose revenue under this change were it not assisted by the municipalities in supporting this change in the distribution of sales tax revenues; and

WHEREAS, the Town of Blowing Rock is willing to assist Watauga County in addressing its financial needs upon the reallocation of sales tax revenues to an *ad valorem* method from a *per capita* method; and

WHEREAS, the Town of Blowing Rock appreciates its good working relationship with Watauga County and the ability of the Town and County to address issues within the community to the mutual benefit of the citizens of both the Town of Blowing Rock and


Watauga County.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BLOWING ROCK, NORTH CAROLINA AS FOLLOWS:

1. That the Town of Blowing Rock supports and encourages the Watauga County Board of Commissioners to Adopt and Pass a Resolution altering the distribution of sales tax revenues between Watauga County and the municipalities from a *per capita* method to an *ad valorem* method.

2. That the Town of Blowing Rock is willing to commit to Watauga County that upon the reallocation of sales tax revenues to an *ad valorem* method that the Town of Blowing Rock will provide, as part of its budgetary process, an amount equal to sixty percent (60%) of the increase in gross revenues accruing to the Town over and above the amount which would have otherwise been realized under the *per capita* method, to costs and expenditures as requested by Watauga County.

Adopted this the 9th day of April, 2013.



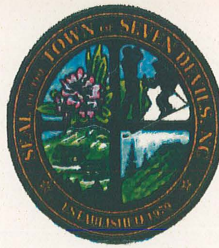
J.B. Lawrence, Mayor
Town of Blowing Rock

Attest:



Sharon Greene, Clerk
Town of Blowing Rock





TOWN OF SEVEN DEVILS

A RESOLUTION IN SUPPORT OF THE REALLOCATION OF SALES TAX WITHIN WATAUGA COUNTY

WHEREAS, the Town of Seven Devils is a municipal subdivision and body politic of the State of North Carolina located in Watauga and Avery Counties; and

WHEREAS, N.C. Gen. Stat. §105-472 provides for the allocation of sales tax between cities and counties within North Carolina; and

WHEREAS, N.C. Gen. Stat. §105-472(b) allows a Board of County Commissioners to determine, on a yearly basis, whether such allocation is made on a *per capita* distribution or an *ad valorem* distribution; and

WHEREAS, for a number of years, Watauga County has distributed sales tax revenues on a *per capita* basis to the towns and cities within Watauga County; and

WHEREAS, the distribution of sales tax revenues on a *per capita* basis has resulted in an inequitable share of the sales tax revenues being distributed to one municipality to the disadvantage of the towns of Blowing Rock, Beech Mountain, and Seven Devils; and

WHEREAS, the Town of Seven Devils acknowledges that Watauga County would potentially lose revenue under this change were it not assisted by the municipalities in supporting this change in the distribution of sales tax revenues; and

WHEREAS, the Town of Seven Devils is willing to assist Watauga County in addressing its financial needs upon the reallocation of sales tax revenues to an *ad valorem* method from a *per capita* method; and

WHEREAS, the Town of Seven Devils appreciates its good working relationship with Watauga County and the ability of the Town and County to address issues within

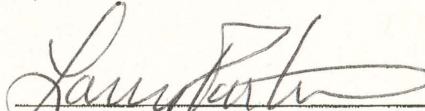
the community to the mutual benefit of the citizens of both the Town of Seven Devils and Watauga County.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SEVEN DEVILS, NORTH CAROLINA AS FOLLOWS:

1. That the Town of Seven Devils supports and encourages the Watauga County Board of Commissioners to Adopt and Pass a Resolution altering the distribution of sales tax revenues between Watauga County and the municipalities from a *per capita* method to an *ad valorem* method.

2. That the Town of Seven Devils is willing to commit to Watauga County that upon the reallocation of sales tax revenues to an *ad valorem* method that the Town of Seven Devils will provide, as part of its budgetary process, an amount equal to sixty percent (60%) of the increase in gross revenues accruing to the Town over and above the amount which would have otherwise been realized under the *per capita* method, to costs and expenditures as requested by Watauga County.

Adopted this the 9th day of April, 2013.



Town of Seven Devils
Larry Fontaine, Mayor

Attest:



Sara Miller, Clerk
Town of Seven Devils



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AGENDA ITEM 10:

MISCELLANEOUS ADMINISTRATIVE MATTERS

D. Boards & Commissions

MANAGER'S COMMENTS:

The Watauga County Library Board has made the following recommendations for appointment to the local Library Board:

- Ms. Ala Sue Moretz be appointed for a new term ending August 2017.
- Ms. Sue Poorman be appointed to complete an unexpired term that will end August 2015.



March 25, 2013

Mr. Nathan Miller, Chair
Watauga County Board of Commissioners
Administrative Building, Suite 205
814 West King Street
Boone, NC 28607

Dear Mr. Miller:

At the regular meeting of the Watauga County Library Board on March 7th, 2013, board members voted unanimously to recommend to Watauga County Commissioners that Ala Sue Moretz be appointed to the Watauga County Library Board to begin a new term that would end August 2017. She would then be eligible for appointment to one more full term of four years.

Ala Sue Moretz was a dedicated librarian who worked at Green Valley Elementary before retiring. We are very happy that she is willing to serve on the library board in this capacity.

Please approve the recommendation of the library board, and notify Ms. Moretz and me of this appointment. Thanks to you and all of the commissioners for your continued support of our library. Ms Moretz resides at 2371 Big Hill Road, Boone.

Sincerely,

Billy Ralph Winkler
Watauga County Library Board Chair

cc: Monica Caruso
Watauga County Librarian

Jennifer Murray
Interim Director of Appalachian Regional Libraries



March 25, 2013

Mr. Nathan Miller, Chair
Watauga County Board of Commissioners
Administrative Building, Suite 205
814 West King Street
Boone, NC 28607

Dear Mr. Miller:

At the regular meeting of the Watauga County Library Board on March 7th, 2013, board members voted unanimously to recommend to Watauga County Commissioners that Susan Poorman be appointed to the Watauga County Library Board to complete Hugh Hagaman's unexpired term that ends August 2015. Hugh Hagaman resigned in November. She would then be eligible for appointment to two full terms of four years each.

Susan Poorman was a dedicated staff member for 5 years at the Watauga County Public Library. We are very happy that she is willing to serve on the library board in this capacity.

Please approve the recommendation of the library board, and notify Ms. Poorman and me of this appointment. Thanks to you and all of the commissioners for your continued support of our library. Ms Poorman resides at 814 Pinnacle Drive, Boone.

Sincerely,

Billy Ralph Winkler
Watauga County Library Board Chair

cc: Monica Caruso
Watauga County Librarian

Jennifer Murray
Interim Director of Appalachian Regional Libraries

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AGENDA ITEM 10:**MISCELLANEOUS ADMINISTRATIVE MATTERS***E. Announcements***MANAGER'S COMMENTS:**

The Governor and Secretary of Crime Control plans to visit Watauga County on April 17, 2013, to hold discussions regarding school safety. A meeting with local officials is scheduled at 4:15 P.M. in the cafeteria at Watauga High School. A Talking Forum was also scheduled from 5:30 to 7:30 P.M. in the High School auditorium to allow for comments from the public (parents, students, etc.)

The 2013 Watauga County Economic Development Summit is scheduled for Wednesday, April 17, 2013, from 1:00 to 5:00 P.M. at the Blowing Rock Art and History Museum in Downtown Blowing Rock.

The Grand Opening of Rocky Knob Park will be held on Saturday, April 27, 2013, from 1:00 until 5:00 P.M. A Ribbon Cutting Ceremony will be held at 3:30 P.M. and barbeque will be served at 4:30 P.M.

Community Pride Week will be held April 29 – May 4, 2013. The week will conclude on May 4 with Household Hazardous Waste Day at the County Landfill from 9:00 A.M. until 2:00 P.M. and Operation Medicine Cabinet at the three local Food Lion locations as well as Foscoe Fire Department from 10:00 A.M. until 2:00 P.M. Please see the enclosed announcement for more details.

Subject: FW: Rocky Knob Ribbon Cutting

From: ericwoolridge@gmail.com [<mailto:ericwoolridge@gmail.com>] **On Behalf Of** Eric Woolridge
Sent: Tuesday, March 26, 2013 2:11 PM
To: Wright Tilley; Matt Vincent; Deron.Geouque
Cc: Teresa Buckwalter
Subject: Rocky Knob Ribbon Cutting

Hey All:

At the direction of the TDA, I'm working on the grand opening for April 27th. I'm working with an ASU Recreation Management class taught by Kristian Jackson to promote and manage the event. Here's what we have so far...

The event will from 1-5pm. The ceremony will be at 3:30. You all need to tell me who wants or needs to speak. The PARTF staff will be at a retreat this weekend and unable to attend.

At 4pm we'll serve BBQ. This will be sponsored along with other raffle items that will raise support for future trail maintenance.

I'll provide a complete draft schedule of events in coming weeks. Wright, can we have your PR guy develop a press release once I provide that information? Students will be working with a graphic designer for the flyer, etc.

The TDA will need to provide a total of 3 porta-jons for the event, and that should be the only expense.

Anything I'm missing or questions?

Thanks,
Eric

Eric Woolridge, AICP
Destination by Design
815 West King Street, Suite 2
Boone, NC 28607
www.DbDplanning.com
phone: 828.719.1109

Subject: FW: UPCOMING EVENTS Community Pride Week-Household Hazardous Waste Day and OMC

**WATAUGA COUNTY COMMISSIONERS
PROCLAIM APRIL 29 – MAY 4 AS COMMUNITY PRIDE WEEK
*Household Hazardous Waste Collection and Drug Take-Back May 4***

The Watauga County Board of Commissioners have designated April 29 – May 4, 2013 as “Community Pride Week” with the goal of improving the appearance of Watauga County. During this week Watauga County **residents** will have an opportunity to dispose of many types of waste for no charge, including old furniture, yard debris, appliances, electronics, medications and household hazardous waste. (This does not apply to commercial haulers or businesses.)

Following is a list of Community Pride Week events. All events are free for Watauga County residents.

FREE DISPOSAL OF RESIDENTIAL DEBRIS

When: **Monday, April 29 – Saturday, May 4**

HOURS: Mon. – Fri. 8 a.m. – 4 p.m. and Sat. 8 a.m. – 12 p.m.

Where: **Watauga County Landfill
336 Landfill Road**

What: appliances, tires, furniture, metal, asphalt (no asphalt shingles), brick, cement, rock, brush (no stumps), electronics

**HOUSEHOLD HAZARDOUS WASTE DAY
(Residential ONLY, NO COMMERCIAL WASTE)**

When: **Saturday, May 4, 9 a.m. - 2 p.m.**

Where: **Watauga County Landfill, 336 Landfill Road**

What: paint, household batteries, NiCad batteries, lead-acid batteries (car type), antifreeze, ethylene, gasoline, lighter fluid, solid and liquid pesticides, oxidizers, used oils, household cleaners, etc.

OPERATION MEDICINE CABINET

When: **Saturday, May 4
10 a.m.—2 p.m.**

Where: **Food Lions (3 locations)**
1. Hwy 321 near Wal-Mart
2. Hwy 421/Old Hwy 421
3. Blowing Rock
Foscoe Fire Department

What: All prescription and over-the-counter medications and medical supplies.

NO QUESTIONS ASKED

Please call 828-264-5305 for more information about Community Pride Week or Lisa Doty, at 828-265-4852 / lisa.doty@watgov.org with questions about recycling.

AGENDA ITEM 11:

PUBLIC COMMENT

AGENDA ITEM 12:

BREAK

AGENDA ITEM 13:

CLOSED SESSION

Attorney/Client Matters – G. S. 143-318.11(a)(3)