

Town of Maggie Valley
Special Called Board of Aldermen Meeting
April 27, 2009
MINUTES

Members Present: Mayor Roger McElroy, Aldermen: Colin Edwards, Phil Aldridge, Mark DeMeola, and Saralyn Price
Staff Present: Manager Tim Barth, Attorney Chuck Dickson, Finance Director Shayne Wheeler, and Town Clerk Vickie Best
Others Present: 18 people

Meeting Called to Order

Mayor McElroy called the meeting to order at 5:30 p.m. in the Town Hall boardroom. The purpose of the special called meeting is to discuss Ghost Town's request for the Town of Maggie Valley to lend the theme park \$200,000. Steve Shiver, CEO of Ghost Town, stated that the Town would be repaid in September 2009.

Discussion Regarding the Town of Maggie Valley Lending Ghost Town Theme Park \$200,000

Manager Barth explained that there are two scenarios. 1. The Town Council is not interested in pursuing the request any further. 2. If Council wants to pursue the issue, a public hearing must be held after the required advertising.

Mayor McElroy supported the Town lending Ghost Town the money in an effort to help bring in the much needed tourism dollars. "Many motels will not make it through the 2009 season because business is down 30% to 40%."

Alderman Price questioned Mr. Shiver on how the theme park would be able to pay the money back in September.

There are lending institutes that specialize in working with firms that have filed Chapter 11. After the Chapter 11 is completed, the partners will begin working with such an agency during the restructuring process.

The pre-season ticket sales campaign has begun and is getting off to a phenomenal start. Mr. Shiver is also working with the State to get the rollercoaster up and going.

Mr. Shiver invited council members to visit the park for Mr. Shiver to show them what is taking place "on the mountain". The partners are determined to move forward.

In the worse case scenario, the Town lends Ghost Town the money and then the park files Chapter 7, the town would be in the super priority position behind BB& T Bank to get their money repaid. The new appraisals valued Ghost Town at seventeen million dollars.

Alderman Aldridge questioned if it was legal for the Town to lend tax dollars. If the park were to go into Chapter 7, the sale price would be cents on the dollar.

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Alderman DeMeola felt that Council was not privy to all of the information needed to discuss the issue with any intelligence. The Town is not in the business of lending money. Council needs to be assured that all documentation is in order. Alderman DeMeola discussed having a referendum to allow the taxpayers to decide to lend the money or not. If the voters say yes, move forward with the loan, but allow the Town's Finance Director to hold the invoices. Alderman DeMeola stated that he would be fearful to lend the money under any other circumstances.

Mr. Shiver felt that would not suffice, due to the cost of having an election, and many business owners are not registered voters in the Town of Maggie Valley.

Alderman Price agreed, instead of having a referendum, conduct a public hearing to allow everyone to voice his or her opinion.

Alderman Aldridge took exception to the issue being brought before Council in the "11th hour".

Mr. Shiver agreed with allowing the public to voice their opinion and allowing Finance Director Wheeler to oversee the invoices. Mr. Shiver also stated that if the Town does not lend Ghost Town the money, Ghost Town is and will continue to be part of Maggie Valley.

Mayor McElroy reassured Council that lending the money for economic development is legal.

The money will go toward insurance, wages, and items of that nature. The Human Resource Director and foodservices are working for free right now.

Alderman Edwards was not in favor of lending the money and clearly stated his dislike for Mr. Shiver. "Ghost Town has not called for an inspection from the State for the rollercoaster. The park has been mismanaged."

Mr. Shiver apologized to Council. He stated that he was not trying to be disrespectful, but that there is a serious conflict of interest between Councilman Edwards and Ghost Town Inc. "A lawsuit will be initiated this week."

There were erroneous rumors last year and calls made to the State in an attempt to shut Ghost Town down. These rumors are damaging to Ghost Town Inc.

**ALDERMAN PRICE MADE A MOTION TO SCHEDULE A PUBLIC HEARING
ON LENDING GHOST TOWN MONEY ON MAY 14 AT 5:30 P.M. AFTER
PROPERLY ADVERTISING.**

Mr. Shiver reminded Council that "time was of the essence".

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Mountaineer Reporter Beth Pleming stated that she would get the advertisement in Wednesday's newspaper.

Council questioned Attorney Dickson on his thoughts about lending the money.

Attorney Dickson responded that he, like any lending institution, would want extremely detailed information showing Ghost Town Inc.'s ability to repay the loan.

Mr. Shiver stated that this is for economic development and that he strongly believes loaning the money is for the betterment of the community. The balance sheet does not look "pretty" due to last year's gas prices, shortage of gas, and the economic scare that raged through the nation. More should be taken into consideration than what shows in "black and white".

Alderman DeMeola agreed there is more to consider, "Council must look at the entire picture, all taxpayers, residential as well as the business community".

MOTION CARRIED UNANIMOUSLY.

Everyone will be allowed to speak at the public hearing. Council will accept written comments emailed or written to the Clerk's attention.

Attorney Dickson reported that the motion could pass by majority rather than four/fifth. As for the conflict of interest, it is a criminal act for council members to vote on a contract in which there is a direct financial interest. Alderman Edwards would need to excuse himself from the vote, if there is a financial interest.

The future of all of the investors are at stake, but they are determined that the theme park will remain a theme park. Mr. Shiver reassured everyone that the investors do not want to see condominiums up and down the mountain. There are many rumors going around that Steve said this or that. Mr. Shiver gave everyone his cell phone number and told him or her to feel free to contact him to see if he said what is being rumored.

**ON MOTION OF ALDERMAN DEMEOLO WITH ALL IN FAVOR, THE
MEETING ADJOURNED AT 6:20 P.M.**

Mayor Roger McElroy

Vickie Best, CMC, Town Clerk

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