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Hillsborough looks toward town ownership of Colonial Inn

Katie Jansen Oct 12, 2015

HILLSBOROUGH – Drawing applause from the audience in attendance Monday evening, the Hillsborough Board of Commissioners voted unanimously to begin eminent domain processes for the town to take ownership of the long-debated Colonial Inn.

The inn, at 153 W. King Street, has been a point of contention between the town and its owner, Francis Henry, for more than a decade. Henry purchased the inn at an estate sale in 2001 for \$410,000. Since then, Henry has faced fines and lawsuits because of the inn's condition.

Commissioner Eric Hallman said that although it was unfortunate the town had to resort to eminent domain, it was necessary because the fire marshal condemned the inn as unsafe in July.



“It would be a failure of leadership for this board to continue to wait for something to happen when there is a public safety issue,” Hallman said.

Town attorney Bob Hornik walked the commissioners through the process. First, the town will send a notice of intent to Henry. Henry then has 30 days to respond.

After 30 days, the town can file a complaint with Orange County Superior Court for court proceedings to begin.

The town would pay a fair market value, set by a third-party appraisal, and during a 120-day period, Henry could decide whether to accept the money or to contest the proceedings.

Some residents stepped up to the podium with concerns about the eminent domain proceedings. Cindy Lee Talisman, who is running for commissioner in next month's election, asked whether property taxes would be increased to foot the bill.

A study financed by the town earlier this year and conducted by the UNC School of Government's Development Finance Initiative estimated renovation costs at about \$3 million and said it wouldn't be possible without a public-private partnership.

The report, issued in August, estimated acquisition costs for the inn at \$142,000.

But Hallman said the report gave various options and presented scenarios in which the town could acquire the inn without cost to taxpayers.

Ashley DeSena, who will also seek a seat on the board in November, also expressed concern about transparency and cost.

She criticized the fact the agenda for Monday night's meeting was released on Friday afternoon, giving eminent domain adversaries little time to prepare.

"This was a cause of alarm for me because I've been dreading this day for five years," she said.

DeSena said she was worried about mounting costs after legal fees, redevelopment and upkeep of the building were factored in.

DeSena said the inn seemed to be more of a concern to the Historic District in town.

Several commissioners disagreed with this observation.

"This is not a historic district issue," Commissioner Kathleen Ferguson said. "It is a town and community and, to be fair, a statewide issue."

Some residents in favor of eminent domain thanked the board for stepping in at a critical time.

Dale Helsabeck, who has power of attorney over the Colonial Inn, asked the board to give her a chance to prove she could get the inn up to approved safety standards.

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Helsabeck said she knew the board was weary but that she just joined the Colonial Inn team in September. Already, she said, work to improve the inn was under way. Demolition of the back section is scheduled for the coming weeks.

But Ferguson put a voice behind the weariness the board felt.

"We're still waiting for your plan. That's the piece. We keep hearing that this plan exists," she said. "I appreciate that you have a plan, but I don't have the patience to wait another decade for that plan to come forth."

Hallman said he doubted any individual could get the inn up to code.

"From our perspective, it's rearranging deck chairs on the Titanic," he said.

Helsabeck said Henry would only accept full compensation for the inn, not a fair market appraisal.

“We are opposed to the eminent domain,” she said. “We are working to put this building in order. We will fight this with all the resources we have.”

Although Hallman encouraged Helsabeck to continue her process as a parallel process to eminent domain, he said the board had to act. Beginning the eminent domain process does not preclude the possibility of negotiation, he said.

After the board vote, Helsabeck expressed her dissatisfaction.

“After all, this is this man’s home,” she said, comparing the inn to the White House. “It’s residential.”

Henry, who was at the meeting, did not have much to say but said he agreed with Helsabeck.



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