

1/4 PENNY SALES TAX

The voters of Watauga County will have an opportunity to vote on August 31, 2010 for a ¼ penny sales tax increase in Watauga County. Seventeen counties in North Carolina have already approved a ¼ penny sales tax increase, and nine more will be voting this year. We believe that this is a smart long-term decision for Watauga County, and this letter explains the reasons why we as Commissioners believe that this is a good decision for the citizens of Watauga County.

There are three legitimate questions regarding the approval of the ¼ penny sales tax. The first is: How will the money be used; the second is: How much will it cost? ; and the third is: Why now?

1. How will the money be used?

The ¼ penny sales tax is estimated to produce between 1.8 million and 1.9 million dollars a year for Watauga County based on the current collection rate. This money will be used to fully pay back a loan which will be taken out to do the following things:

First: To build the first recreation center in Watauga County and replace the out of date, inadequate pool. The Recreation Commission has conducted surveys which have called for the building of a recreation center in Watauga County. This recreation center would include a new aquatic center to replace the current pool, which is 30 years old and was originally built as an outdoor pool. Several years ago the pool suffered a catastrophic failure. Instead of replacing the pool as was recommended by a recreation task force led by Dr. Bill Horn, the Commissioners chose to spend approximately \$400,000 for a temporary fix. The time is now running out on the temporary fix. If we do not take action now, we may be faced with spending another \$400,000 or closing the pool. The recreation center would also include activity areas for adults, meeting areas, team gathering areas, recreation offices, space for the Western Youth Network, a gymnasium, and other recreational uses. It would be located next to the new high school, which would give us the opportunity to teach every student how to

swim. Where do we take our children for indoor physical activity? What do we do during a long winter, such as the last one? With a recreation center and complete aquatic area, there will be a facility for children to play and get exercise indoors. We can help overcome the growing problem of childhood obesity.

Second: The sales tax would also pay for the building of an eastern community center. This center would be patterned after the western community center, which is located in the Cove Creek area, and which is one of the most used facilities in our county. It provides a gathering place for the people in that community for numerous activities, particularly for our senior citizens and older adults. The eastern community center would be able to do the same thing in the eastern part of Watauga County.

Third: The sales tax would also provide a source of funds to be used every year to increase the playgrounds and recreational areas throughout the county. In the last three years, we have increased the playground areas in Mabel, Valle Crucis, Green Valley, and in the Town of Boone. The sales tax would enable us to continue doing this throughout the county.

Fourth: The sales tax would also provide additional funds for the operational expense for the recreation center and the eastern community center.

2. How much will the ¼ penny sales tax cost?

The ¼ penny sales tax will NOT apply to groceries, therefore when you are shopping at the grocery store your bill will NOT be increased. The sales tax will apply to other items. If the citizens of Watauga County go to Walmart, Lowes, Mast Store, or other shopping areas and purchase \$100 worth of goods, the sales tax will cost them .25¢. If they purchase \$1,000 worth of goods, the sales tax will cost them \$2.50. The sales tax will also be paid by the citizens of Ashe County, Avery County, Caldwell County, Wilkes County, and Tennessee, who shop in Watauga County. The sales tax will also be paid by the tourists

who come and shop in Watauga County and by the people who are in Watauga County as a result of Appalachian State University. It is easy to see that a substantial portion of the sales tax will be paid by people who do not live and reside in Watauga County. It will also be paid by those people who do not own property, but use county services.

It is our opinion that this sales tax is a much better tax than increasing property tax to pay for the recreation center, the eastern community center and improving our playgrounds and recreational areas throughout the county.

3. Why now?

First: As a result of the economic downturn, building costs have diminished substantially. If we are able to build our first recreation center and a new eastern community center at this time, we can save the citizens of Watauga County a substantial amount of money. There are numerous construction businesses and companies who are looking for work at this time, and therefore bids for projects have been coming in at substantially less than the original estimate. An excellent example of this is the new College of Education at Appalachian State University.

Second: Another reason is the need to replace the existing pool. As we have stated, the Commissioners in 2003-2004 adopted a plan to extend the life of the pool for approximately ten years. At the end of this period, the pool will no longer be adequate for use in Watauga County without the expenditure of a tremendous amount of money. Every year the Commissioners end up spending money to work on various items at the pool because of its inadequate status, and the fact that it was never built to be an indoor pool. The pool is used to teach children to swim, by young people, by adults who enjoy the physical activity of swimming, and by numerous senior citizens for Aquasize and various exercise programs. The demand for an adequate pool is substantial. It is plain to see that our community needs an adequate pool and we should provide one.

Third: The County has applied for Recovery Zone Bonds to help pay the cost of these projects. If awarded, the Recovery Zone Bonds would reimburse the County for 45% of the interest costs on a loan, thereby saving the County substantial money. In addition, interest rates are at an all time low. This will also save the County significant amounts of interest payments.

It has long been our belief, and it continues to be our belief, that the vast majority of Watauga County citizens are concerned about the quality of life in Watauga County and providing an opportunity for the development of our young people and providing the proper resources for our older citizens. That is part of the reason that we feel this is the appropriate time for the ¼ penny sales tax to be passed.

Many of the opponents of the sales tax have talked about the debt that Watauga County has. The increase in our debt has been as a result of building the new Watauga High School. These people opposed Watauga High School, and they still oppose Watauga High School. It is our belief that building a new high school will greatly enhance the educational opportunities for the young people of Watauga County. We invite all of the citizens of Watauga County to visit the new Watauga High School and see the outstanding educational facility that has been built there. The Governor said in her remarks last week that this the finest high school facility in the state of North Carolina. We believe that the young people of Watauga County are entitled to the finest education possible and to a facility that enables that education to take place.

We simply disagree with those people who do not feel like education is worth this kind of investment. The ¼ penny sales tax is a similar investment. It is an investment in the future opportunities of the young and old of Watauga County, and it is the smartest way to pay for these opportunities. That is why numerous leading citizens, both Republican and Democrats, are supporting the sales tax.

It is time to stop the partisan politics and to work together in making the best long term decisions for Watauga County.

We believe this is the smart decision for the citizens of Watauga County to make. We greatly prefer the ¼ penny sales tax to pay for these items, **which**

it will do in their entirety, rather than an increase in property tax, which would be needed in the future to build these facilities. If not, we would simply have to do without, which would mean that Watauga County would not have a pool or a recreation complex. One of the top priorities in the Recreation Commission survey last year was a recreation center. All of the citizens have had the opportunity to participate in these surveys and to voice their opinions. The Boone Area Chamber of Commerce, representing hundreds of small businesses, has recommended that the County find a cost-effective way to build an indoor recreation facility without raising property taxes. They are supportive of the Commissioners request to provide recreational facilities.

In the final analysis, it is clear that these facilities are needed for Watauga County. The question is how do we pay for them and when do we build them? We believe that the ¼ penny sales tax will be the least burdensome way to pay for these facilities for the citizens of Watauga County and we believe that now is the time to do this.

We urge you to vote, and vote “yes” for the ¼ penny sales tax.

Respectfully,

Watauga County Commissioners:

Jim Deal
Billy Ralph Winkler
John Cooper
Winston Kinsey
Tim Futtrell

