

Boone: Too Late To Reverse Tax Issue

Written by Steve Frank
Monday, 22 April 2013 15:48

The latest communication in the issue between the Town of Boone and Watauga Commission was passed along late today from the Town of Boone, saying that it may be too late for the county to reverse action on the sales tax distribution, even if a compromise could be worked out. The town and county are feuding over recently adopted Boone housing standards that would kill the sale of the \$19 million old Watauga High property. Boone Mayor Loretta Clawson said, "Any changes – if we could reach agreement on them – would have to go through a state required public notice and hearing that can't logistically happen before the end of April." Many points contained in the press release have already been made, but new is a graph on how the distribution of dollars per resident under the change voted upon by the county commission a week ago. The letter and graph are posted in their entirety below. If the matter is not somehow resolved over the next week, a new formula for sales tax distribution will be submitted to Raleigh, a formula that would cost the Town of Boone an estimated \$2 million per year starting in July. The county, a large property holder in the town of Boone, has threatened to sue the town over the new Affordable Housing initiative for its impact on the school property and on other properties the county owns within the town.



NEWS

TO: All Local News Media

CONTACT: Greg Young, Town Manager, (828) 268-6200,

Greg.Young@townofboone.net

FOR IMMEDIATE RELEASE

Proper public notice for changes to zoning ordinance impossible before end of the month deadline

APRIL 22, 2013, BOONE, NC – With the clock ticking to resolve differences between the Town of Boone and Watauga County Commissioners before the end of this month, the town says it is impossible to meet the county's demands within the next week. The Commissioners have voted to change the way sales tax revenue is distributed unless significant changes are made to Boone's zoning ordinances, particularly its recently adopted Supplementary Standards for Multi-Family Housing Development, by April 30.

"Any changes – if we could reach agreement on them – would have to go through a state-required public notice and hearing that can't logistically happen before the end of April," said Boone Mayor Loretta Clawson. "In addition, Boone has a legitimate need to support affordable housing for people who work in Boone. We can't throw that completely out the window. We're going to have to weigh that against the recent demands for ordinance changes."

The Town of Boone has repeatedly requested mediation with the Watauga County Commissioners for the sole purpose of reaching some agreement in regard to the old high school property and its potential sale, which the Commissioners and the potential buyer say is being hindered by the recently adopted Multi-Family ordinance. Although the

Boone: Too Late To Reverse Tax Issue

Written by Steve Frank
Monday, 22 April 2013 15:48

town's attorney, Sam Furgiuele, has cited case law that sets a legal precedent for the two groups of elected officials to meet in parallel closed sessions with a former judge, a Republican, mediating the two groups' concerns, the county continues to disagree.

"While the Council and I believe discussions with the Commissioners should be transparent, we also believe they should be productive," said Mayor Loretta Clawson. "With lingering threats of a lawsuit as earlier reported in a March 13 *Watauga Democrat* article, a free and open discussion is not an option. The first step in this process should be to create mutually-agreeable options that once determined, can then be presented for public input and comment. It's impossible to arrive at solutions to our differences without first finding common ground between the Council and the Commissioners. Mediation's goal is to find that common ground."

Clawson added, "The courts have found mediation to be an effective method of resolving disputes, and so have we. In the dispute regarding the Watauga County landfill, mediation was the key to making a mutually-agreeable resolution possible. Even in divorces, courts now routinely require mediation in order to amicably resolve the couple's differences. Mediation provides a way to talk candidly without offending others involved and move toward a solution."

If the Commissioners proceed with redistributing sales tax revenues, it will result in an annual loss to Boone of \$2 million, effective July 1, 2013. The change comes at the same time the state legislature is considering changes that could further cut the town's revenues by as much as \$1 million.

"If the Commissioners think it's in the best interest of their constituents to redistribute annual sales tax revenue, that's their choice," said Clawson.

In looking at the county's proposed change, each county citizen in Beech Mountain would be allocated approximately \$3,400 versus \$93 per citizen in Boone, based on Town calculations using fiscal year 2011-12 sales tax receipts and NC Department of Revenue population figures. Currently, approximately \$230 is allocated for every citizen. (See

Boone: Too Late To Reverse Tax Issue

Written by Steve Frank
Monday, 22 April 2013 15:48

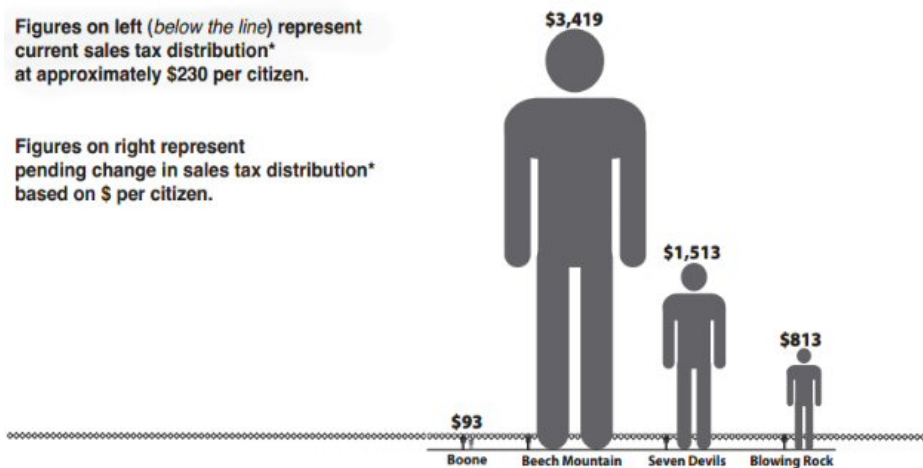
graph. Figures based on Town of Boone calculations from fiscal year 2011-2012 sales tax receipts and N.C. Department of Revenue population figures. Proposed sales tax distribution figures do not include monies that may be returned to Watauga County.)

“The Council and I want to keep Boone’s services operating while avoiding a property tax increase. The Commissioners’ decision would force the Town to severely cut or discontinue many programs and essential services. These could include snow removal, street maintenance, police and fire protection, sidewalk maintenance and expansion, as well as other services. There would be no more greenway construction or nonprofit support. Meanwhile, other municipalities will see an abundance of tax revenue,” she continued.

Current and proposed estimated sales tax distributions to Watauga County municipalities

Figures on left (*below the line*) represent current sales tax distribution* at approximately \$230 per citizen.

Figures on right represent pending change in sales tax distribution* based on \$ per citizen.



*Based on Town of Boone calculations from fiscal year 2011-2012 sales tax receipts and N.C. Department of Revenue population figures. Proposed sales tax distribution figures do not include monies that may be returned to Watauga County.