

Blue Ribbon Committee on the Future of Wake County

Meeting Summary

**Tuesday, March 18, 2008
The Pavilions at The Angus Barn, 8:30 – 11:30 a.m.**

Goals/Objectives

1. To provide update on progress made since last committee meeting on September 11, 2007.
2. To provide updates on the water supply/drought situation, and the 21st Century Transportation Committee.
3. To solicit feedback from committee about the sales tax revenue option.

Welcome and Overview

BRC Co-Chairman Frank Holding Jr. welcomed the committee, thanked fellow committee member Van Eure for hosting this meeting at The Angus Barn's new reception/meeting facility, and outlined the agenda for the day. He started off the Water Supply update by noting that when the Committee studied this issue two years ago, "we found that plans are in place to adequately meet the water and wastewater treatment needs of our projected population over the next 25 years. There is a common misperception among the public that growth – rather than drought – is responsible for our water shortage, when in reality, we have planned for growth. It's difficult, if not impossible, to plan for the vagaries of Mother Nature, as we all know." He introduced Raleigh and Cary leaders to talk about the drought and water conservation plans.

Water Supply/Drought Update

Raleigh Mayor Charles Meeker said the recent rains had helped lake levels considerably but that the city continues to implement Stage 2 water conservation measures. **City of Raleigh Public Utilities Director Dale Crisp** outlined current and future water supply sources and facilities, noting the Dempsey Benton plant at Lake Benson should come on line in February 2010, with the E.M. Johnson plant at Falls Lake slated for expansion in about 2015 and the Little River Reservoir in about 2020. **Leila Goodwin, Town of Cary Water Resources Manager, and Cary Mayor Pro Tem Julie Robison** also provided updates of the town's water current water supply and plans to expand the treatment plant in about 2013. They noted that many of the Governor's water conservation measures are already in place in Cary, with a number of new initiatives underway, as well.

21st Century Transportation Committee Update

Brad Wilson, chairman of the 24-member 21st Century Transportation Committee appointed by the Governor and General Assembly, reported on the committee's work. He said he expects the committee will recommend that gap funding be used to advance at least the top two priority projects of the NC Turnpike Authority: the Triangle Expressway and the Monroe Connector/Bypass. He also said the committee could recommend that the transfer tax be stopped "in an amount equal to and sufficient to fund" the two Turnpike Authority projects. He said the committee believes it should not simply put forth expensive transportation infrastructure needs without giving "some sense and guidance as to how the revenue should be generated to help pay for this infrastructure."

He commended the Blue Ribbon Committee for its work, and urged members to continue advocating for transportation funding as a united voice of Wake County. "If you want a difference made in transportation infrastructure funding in North Carolina, you need to do exactly what you have been doing – and I commend you for that – which is coming together as a Wake County community and advocating to our members of the General Assembly that they pay attention and make this a priority...it's important that you add your voice to those that will be coming from all over North Carolina to make sure this is on the legislative and gubernatorial agenda going forward," he said. "If we fail to do that, then our work will indeed be nothing more than another study that goes on the shelf at the General Assembly and collects dust."

21st Century transportation Committee Update (cont'd)

He also noted that new sources of revenue will be required to fund the transportation needs, and that unless attitudes change, "we are going to continue to rely on a 1921 and a 1989 funding model that will result in North Carolina becoming yet another Los Angeles, Baltimore and Atlanta" in terms of traffic woes.

In response to questions, Mr. Wilson said his committee was studying the use of private sector funding in other areas of the country but was not prepared to recommend that approach without more discussion and research. He also said he hoped the General Assembly and Governor Easley would go on record as formally calling on Congress to address the issue of North Carolina being a donor state for federal transportation taxes. He said he did not think that allowing the federal fuel tax to lapse would be an effective political strategy, and that the state's efforts would be better applied to "getting our fair share of that we are already sending."

He also noted the federal government faces many of the same challenges as do states when it comes to transportation funding because it is heavily dependent on fuel consumption taxes and revenue at a time when for environmental reasons and to lessen dependency on oil, "we are working as hard as we can to diminish the consumption of that which we are actually taxing. And eventually, that economic model fails. If it doesn't fail tomorrow or next year or until 2030, it is indeed going to fail."

Wake County Update

Commissioners' Chairman Joe Bryan provided an overview of what has happened since the group's last meeting, on September 11, 2007. Some highlights include:

- Work sessions on the BRC's recommendation that property be reassessed more frequently and the tax rate remain the same. The County Manager has recommended that the next revaluation be conducted in five years, in 2013, and every four years after that. The Board of Commissioners has not acted on recommendation but Mr. Bryan told the committee there did not seem to be much enthusiasm for more frequent revaluations due to the cost involved.
- Voters overwhelmingly approved three countywide bonds in October 2007, including \$92 million for Wake Technical Community College, \$45 million for Wake County Public Libraries and \$50 million for the Open Space Program. Plans for those projects are in the early stages.
- Several justice facilities projects are underway, including the law enforcement training center, which is on target to be finished next spring. The Davie Street parking deck is under construction now and should be finished later this year or early next year, and the new courthouse is in the design phase now. The project totals \$214 million, and is being funded with cash and certificates of participation.

Chairman Bryan also outlined the Board of Commissioners' 2008 goals, with the priority focused on building human capital, working through human services to move citizens to self-sufficiency and onto the "middle class express."

Update on Financial Issues

Wake County Manager David Cooke presented an update on financial issues. He said the original gap in infrastructure needs and funding sources as studied by the BRC in 2006 was \$18,379,700,000. Due to passage of several large bonds, the projected amount now stands at \$17,158,700,000.

He noted that the local revenue options the General Assembly granted to counties have not appealed to voters: of 27 counties, just five were successful in gaining authority to levy a one-quarter-cent sales tax, and no counties were given authority for a .4-percent land transfer tax. He said in Wake County, a land transfer tax could generate the same amount of revenue as 4.5 – 8 cents on the property tax rate, and a sales tax could generate the same amount as 3 – 3.2 cents on the tax rate. Mr. Cooke noted that between now and 2014, the County's tax rate would need to increase nearly 18 cents per \$100 of assessed value just to pay for building and operating new schools and other county facilities that will be needed to meet the demands of growth. The Board of Commissioners has not made any decisions yet about when to move forward with asking voters to approve one the measures.

Group Engagement/Feedback on Sales Tax Revenue Option

Facilitator Phil Boyle led the group through a feedback session, asking the following:

If a ¼-cent sales tax referendum were put before the voters of Wake County with the provision that revenue would be used to pay for school construction,

- 1. When should this occur?**
- 2. What should the county do to increase the likelihood of obtaining voter approval? (*Address specific strategies re: messages, how to reach voters, etc.*)**

Each table discussed the issue and reported out, with most suggesting that the issue be placed on the ballot as soon as possible, though one table said plans for the campaign needed to be well underway a year in advance.

Other suggestions:

- have strong community leadership advocating for the sales tax and educating the voters
- be specific and clear about how the money would be used
- conduct strong voter/public education campaigns to make sure voters understand the issue and financial implications
- put the issue on the ballot during a scheduled election (do not hold a special election)
- add a sunset provision to the tax and tell voters it will end at a certain date

Conclusion and Next Meeting

Committee Co-Chair Fred Day and Chairman Bryan thanked members for attending and remaining engaged in the community's long-term infrastructure plans and funding needs. They announced that the next meeting would be held on Thursday, September 25, 2008, from 8:30 – 11:30 a.m. We'll send information about the location of that meeting closer to the time.

Next Meeting: Thursday, September 25, 8:30 – 11:30 a.m.; location TBD.