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Posted By: Evelyn Baker
Witnessed By: _____

**MINUTES OF A PUBLIC HEARING
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
NOVEMBER 7, 2011**

The Jackson County Board of Commissioners held a Public Hearing on November 7, 2011 at 1:30 p.m., Justice & Administration Building, Room A201, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present:	Jack Debnam, Chairman	Chuck Wooten, Interim County Mgr.
	Doug Cody, Vice Chair	Evelyn B. Baker, Clerk to Board
	Joe Cowan, Commissioner	J. K. Coward, County Attorney
	Mark Jones, Commissioner	
	Charles Elders, Commissioner	

Chairman Debnam called the public hearing to order and stated the purpose was to receive public input concerning changing the room occupancy tax.

Public Comments:

1. Vincent Ferri, owner of Mountain Laurel Inn & Shops in Cashiers, stated he is not a County resident and is opposed to an increase in the room occupancy tax. The concept of spending money to increase all businesses would be on the back of the accommodations merchants. He also opposes dissolving the TTA (Travel & Tourism Authority) and suggested that if a tax is worthy - raise the sales tax so all merchants would be involved. He urged the Board to reconsider its position.

2. Richard Hattler, owner of Mountain Lake Rentals in Cashiers, stated he is a County resident. He presented petitions from 50 homeowners he represents who are opposed to increasing the room occupancy tax.

3. Henry Hoche, acting Chairman of the newly formed Jackson County Accommodations Association, stated he is a County resident. The association is absolutely opposed to a tax increase which would also have a ripple effect on local restaurants, shops, etc. The idea of assisting the railroad in Dillsboro on the backs of the accommodations industry is wrong. The railroad should finance its own expansion.

4. Mark Jones, Commissioner, stated he is Chairman of the Cashiers Travel & Tourism Authority. In March the TTA voted against an increase because it was concerned about the unsettling language as it relates to tourism related capital expenditures as well as the formation of a Tourism Development Authority. The two TTA's should not be dissolved. He recommended a mirrored representation of the 1986 legislation which was designed specifically for Jackson County.

5. George Ware, co-owner of the Chalet Inn, of Whittier stated he is a County resident. Raising the occupancy tax to 6% is an ill-advised action at the worst possible time. Doubling the tax will make it twice as high as Cherokee, Macon and Swain counties and 50% higher than Haywood. Prospective visitors will notice the difference. Raising the tax will give competitors in surrounding counties an advantage. Accommodation owners also collect sales tax, a portion of which is returned to the county.

6. Clifford Meads, representing High Hampton Inn in Cashiers, stated he is a County resident and is opposed to raising the occupancy tax. He is also concerned about how the legislation is written. The tourism related capital expenditures language is going to dilute the efforts because people will be dreaming up projects for use of the money. The intent is very good, but the outcome will not be. He suggested that if there are projects in Dillsboro, Sylva or wherever, those municipalities should write their own language, collect the taxes in that town and build whatever they need. A time out to review the language would be very helpful.

7. Hanneke Ware, co-owner of the Chalet Inn, of Whittier stated she is a County resident. If raising taxes is for the purpose of getting the railroad back to Dillsboro, then she is strongly opposed. It has been 6-8 years since the railroad moved and during that time has it not been able to budget and set aside funds to move a steam engine to North Carolina or even accumulate enough money to paint its cars? If not, why should the county want to put money into it? She asked why the railroad is asking the county for money when it should do what accommodations owners must do when they expand - get a bank loan. It is not right to increase taxes on accommodation merchants in order to provide marketing money to a private business that has its operations in another county with an absentee owner who has significant operations in many other states – why should Jackson County accommodation owners support him?

8. Brian Humphreys, Food & Beverage Manager at High Hampton Inn in Cashiers and a County resident stated he graduated from WCU and has worked at High Hampton for five years. One of his duties is to maintain a healthy company which includes revenue and cost control. Macon County is only 6 miles away with a 3% tax and Transylvania is 10 miles away with a 4% tax. Thus, raising Jackson County's tax to 6% automatically puts it 2-3% above surrounding counties. The increase in costs continues to rise for food, utilities, etc. and owners have only a few options: raise rates for guests, reduce future benefits for employees, shorter hours for employees, and possible less hiring. It is the wrong time to increase taxes.

9. Judy Brown, President of Greater Cashiers Area Merchants Assoc., and a County resident stated she appreciated the efforts to promote Jackson County; however, raising taxes will negate the efforts. There are more creative ways of getting taxes to the communities. A poll of merchants, the majority of which are not in the hospitality business, concerning a tax increase resulted in only one person answering "yes".

10. Mary Korotva, owner of Cashiers Resort Rentals in Cashiers, stated she is a County resident and understands the need to raise funds to promote the county. There are legions of homeowners in the County who are renting their properties but are not paying occupancy taxes. She talks with rental prospects every week who quote a rounded-off specific price which included taxes. There are dozens of web sites advertising homes and it would not be difficult to track them which would result in a substantial amount of violators who could be charged penalties and taxes. The county should look at the revenues being left on the table and not raise the occupancy tax.

11. Tom Tiberi, Balsam Mountain Inn, stated he is not a County resident. The idea of the extra 3% being paid by visitors is misleading. The bottom line is that it will be paid by the business owner. The owner will defer property maintenance, not hire additional staff, etc. because currently it is a very hard economy. There is not another 3% available.

12. T. J. Walker, owner of The Dillsboro Inn, stated he is a County resident. Raising taxes is debatable, but how the tax increase would be used is more debatable.

13. Robert Jumper, Chair of the Jackson Travel & Tourism Authority, stated he is not a County resident but is speaking on behalf of the entire TTA Board. The working contract between the Jackson County Chamber of Commerce, TTA and county governmental unit should be preserved. It is the TTA's understanding the county intends to dissolve the current TTA Board and create a Tourism Development Authority. The TTA believe the entire county will suffer if the contract is not renewed with the Chamber. The consistency, quality of service, and level of expertise and knowledge of the Jackson County Chamber of Commerce staff is critical to the day to day operations of the tourism industry. Their years of training, understanding, marketing expertise and tourism history that cannot be taught or replicated and the county will lose competent and trained personnel if a new contract is not established as soon as possible. Further, if the county makes a decision to use other personnel and not the Chamber, there will be an immediate loss of jobs at the Chamber as well as an enormous duplication of efforts which will be a waste of the occupancy tax dollars that the hardworking accommodation owners collect every month. For decades many of the people who make up the non-profit organization have worked tirelessly to bring essential services to Jackson County. Additionally, the TTA Board voted that the language of H96 is unacceptable and cumbersome. The TTA wants to be a team player and promote the entire county, but the language of that Bill is not what it understood or agreed to support. The TTA reviewed and supported County Resolution #R11-10. The language in H96 does not reflect the county's resolution or the TTA's original intent which was to give authority to the board of commissioners to levy a tax as appropriate without going back to the general assembly. All of the goals are the same – everyone wants what is best for the county and believes the Chamber of Commerce can best serve the needs of the county and the tourism authority.

14. Heather Baker, Chair of the Jackson County Chamber of Commerce, stated she is a County resident. It is the Chamber's goal to convey its willingness and desire to continue the long standing relationship with Jackson County government and any tourism authority that is put in place. The Chamber has six staff members, some of whom have been there for 9-10 years. The continued relationship and contract between the County, Chamber and a new tourism authority will continue and instead of valued Chamber employees losing their jobs, their training can be put to use for the benefit of tourism and

all county businesses. Jackson County taxpayers and particularly accommodation owners can feel some comfort in knowing that the money collected will not be wasted by the duplication of existing services, employees, or costs. The Chamber looks forward to a long relationship with county government and the new tourism authority so businesses can continue to receive the services to which they have been accustomed with the current Chamber staff.

15. Michele McMahan, owner/operator of Mountain Brook Cottages, stated she is a County resident and there have been a lot of changes in the accommodation industry during her 32 years in operation. It is very competitive business and people now find out about accommodations through the internet and compare costs. The tendency now is for visitors to make reservations for one night, request a discount and want to know the bottom line. No one really truthfully cares that this is Jackson County, what they care about is the mountains so they are going to look all over the area to find the best value for their dollar. When visitors go elsewhere that also means accommodation owners are not going downtown, eating out or gift shopping. Everyone needs to conserve and adding 3% to those who come to this area is not right. The answer is not to raise the occupancy tax which has the potential to further drive down businesses that are already suffering because of the recession, but use existing revenue generated by occupancy taxes smarter. Work to reduce overhead costs of administration and be aggressive in collecting occupancy tax from those who are renting their homes without paying. Enforce the current regulations and not raise taxes on those who report, collect and pay the taxes.

There being no further public comments, Commissioner Cody moved that the public hearing be adjourned. Commissioner Jones seconded the Motion. Motion carried by unanimous vote and the hearing adjourned at 2:30 p.m.

Attest:

Approved:

Evelyn B. Baker, Clerk

W. J. Debnam, Chairman