

TOWN OF BLOWING ROCK COMMUNITY INVESTMENT BONDS TO BE ON THE NOVEMBER 4, 2014 BALLOT TO ADDRESS CAPITAL INFRASTRUCTURE NEEDS FOR THE NEXT SEVEN TO TEN YEARS



community investment bonds

BLOWING ROCK, NC – **The Blowing Rock Town Council has unanimously decided to offer voters a chance to influence the pace of capital improvements for the next seven to ten years.** As part of the budget development process this spring, the Blowing Rock Town Council directed that a comprehensive ten year capital improvement plan be developed to identify the capital infrastructure needs for the Blowing Rock community. On November 4, 2014 Blowing Rock citizens will have the opportunity to vote on four separate general obligation bonds for capital infrastructure in the areas of transportation, parks, water, and sewer.

While maintaining tight budgets reflecting the economic downturn of the last several years, the Town of Blowing Rock has had to hold back on its operating spending growth as well as in areas of needed capital infrastructure improvements. With these constraints still in place, the Town does not have enough cash available to make significant progress on improving ditches, paving all Town maintained roads in a timely manner, and making needed repairs to parks, water, and sewer lines.

That's why the Blowing Rock Town Council voted unanimously to offer citizens the opportunity to vote on four separate general obligation bond financing initiatives for transportation, parks, water, and sewer projects collectively referred to as Community Investment Bonds and totaling \$13 million. At the polls, voters will be able to vote yes or no on each bond referendum project category, with a total of four unique votes.

- **Transportation Bond - \$9 million** for repairing ditch lines, making needed road and culvert repairs, repaving each Town maintained street once over a ten year period, completing streetscape improvements along Main Street north to US 221 and extending them down Sunset Drive from Main Street to Valley Boulevard, and various sidewalk and pedestrian improvements including a new sidewalk from US 221 to Bass Lake.
- **Parks and Recreation Bond - \$1 million** for improvements to Memorial Park including replacing the lower basketball court, repairing the upper basketball court, replacing stairs used to access the park from Wallingford, tennis court slope stabilization, dredging Broyhill Lake, and paving the parking lot and track around Davant Field.
- **Water Bond - \$2 million** to replace older cast iron and galvanized water lines that have historically caused higher levels of maintenance issues including replacing cast iron lines on Maple Street, Sunset Drive, Sourwood Lane, Goforth Road, West Green Hill Drive, Greenhill Circle. Also planned are galvanized line replacements on Sunrise Cove, Goforth Road, and Sourwood Lane.

- Sewer Bond - \$1 million to replace two older sections of the main outfall line in the center of Town that serves a large number of our customers. The lines run from US 321 construction to Sunset Drive and then another section from Sunset Drive to Main Street.

Voter approved general obligation bonds are the least costly financing option available to the Town for these projects. Given the Town's strong financial position and its strong credit rating of Aa3 from Moody's Investor Service in 2010, the Town can borrow money at low interest rates and issuance costs, thus saving Blowing Rock taxpayers thousands of dollars over the repayment period.

If voters approve all four Community Investment Bond financing initiatives, the Blowing Rock Town Council will have the associated debt authority available to fund the needed capital infrastructure projects over at least the next seven years, with the possibility to have the authority for an additional three years if approved by the NC Local Government Commission.

The specific projects currently listed within each category as shown above were identified in the capital improvement planning process earlier this year. Project priorities over the bond authority period and currently unidentified emergencies (e.g. road slope failures) may change the specific projects ultimately selected for execution by Council each budget year. The four bond votes are for each respective category of projects (e.g. transportation), not necessarily for the specific projects listed. The lists have been prepared to document the current set of identified needs, which may or may not change over the next seven to ten years.

The rate at which projects are selected by Council and the growth of the Town's other revenue sources each budget year will determine the tax and utility increases necessary to repay the funds borrowed. If all four referenda are approved by voters and all debt is utilized over the next ten years, the property tax rate could increase as much as an average of 3% each year for a total of 10 cents and water and sewer rates could increase an average of 3% each year for ten years. If the bond votes fail, the available project funding capacity will be very limited and infrastructure spending will be reduced and delayed compared to what will be possible if the bonds are approved by the voters. The Town of Blowing Rock's population is about the same today as it was in 1991. As a result, the tax base, being largely residential, has not grown to help generate strong revenue growth from existing revenue sources. Since 1996, the average annual spending level increases have lost pace to inflation which has averaged 2.6% per year over that time. Without the additional resources through these Community Investment Bonds to make needed capital improvements, the Town will continue to fall behind the identified schedule of capital infrastructure improvements necessary to help maintain the high quality of life and amenities residents and visitors alike have become accustomed to for many years.

Blowing Rock currently has the lowest tax rate in Watauga County at 31 cents per \$100 of taxable property value. The next lowest tax rate is Boone at 41 cents, then Seven Devils at 51 cents, and Beech Mountain at 73.2 cents.

The Town of Blowing Rock encourages registered voters to learn more about the Community Investment Bonds by visiting www.townofblowingrock.com to learn more about each initiative and related financial information.

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Click to access the Town of Blowing Rock website where additional information is located:

www.townofblowingrock.com