



# TOWN OF BLOWING ROCK

1036 Main Street • Post Office Box 47 • Blowing Rock, NC 28605

Date: October 1, 2014

Re: November 4, 2014 Blowing Rock Community Investment Bonds Referendum

Dear Fellow Blowing Rock Citizen and Registered Voter,

As your Mayor, and on behalf of the entire Blowing Rock Town Council, I want to personally ensure that you are aware of the November 4 vote on the Blowing Rock Community Investment Bonds and that you know where to get additional information should you have questions. Our purpose is not to suggest whether you should vote for or against the bonds, but to encourage you to go to the polls. This is your opportunity to influence the pace of capital improvements in the Town of Blowing Rock for the next seven to ten years.

While maintaining a tight budget 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 our ditches, paving all of our roads in a timely manner, and making needed repairs to our parks, water, and sewer lines.

That's why your 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.

- 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 most recent solid 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 them extended for an additional three 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, our tax base, being largely residential, has not grown to help generate strong revenue growth from our existing tax base. Since 1996, our average annual spending level increases have even 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, we will continue to fall behind what we believe this community needs to help maintain the high quality of life which we have all 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.

Please share this letter and the enclosed pamphlet with all the registered voters in your home, and let your voices be heard through your vote on November 4. Learn more about the Community Investment Bonds by visiting [www.townofblowingrock.com](http://www.townofblowingrock.com). There you'll find details on each initiative as well as financial information set up in an easy to read "frequently asked questions" format. If you any additional questions, please feel free to contact any of your Council members or the Town Manager via email at [manager@townofblowingrock.com](mailto:manager@townofblowingrock.com) or by phone at (828) 295-5200. The Frequently Asked Questions document will be updated periodically as new questions come in. Individual Council member contact information can be found on the Town's website under "Elected Officials" which is the 8<sup>th</sup> item on the left hand side of the main page.

Thank you for taking the time to become an informed voter and involved citizen of the Town of Blowing Rock.

Sincerely,



J.B. Lawrence  
Mayor

