



# SANFORD

## AREA GROWTH ALLIANCE

Economic Development • Chamber of Commerce

Well Centered.

Sanford Area Growth Alliance 115 Chatham St, Suite 4 Sanford, NC 27330

May 18, 2016  
Hand Delivered

Hon. Senator Ronald Rabin  
300 N. Salisbury St, Room 411  
Raleigh, NC 27603-5925

Dear Senator Rabin,

Thank you for your work to get our Occupancy Tax measure introduced in the Senate. We were pleased to receive notice that SB874 had been filed on Wednesday and was introduced on Thursday.

Our community has worked for over eight years to reach this milestone. At the local level, business and elected leaders have dedicated countless hours, talent and treasure to achieve this significant step toward a fully funded Tourism Development Authority (TDA). The funds raised through this measure will enable us to compete on an equal footing with our neighbors in the travel and hospitality marketplace – specifically helping our small businesses in this vital and growing economic sector.

With success in sight, we are very concerned about anything that might cause this measure to be delayed any further or rejected.

Our major concern is that the language in SB874 as filed will disrupt the delicate balance with the model language suggested by the NC Travel and Tourism Coalition and utilized by the General Assembly since it was established in 1997. In all of our previous meetings on this matter, we understood clearly that any revision of an existing occupancy tax (regardless of the unit of government collecting the tax) requires that the new tax must conform to the guidelines in order for the Coalition to support the proposed tax.

In our special case in Lee County, the local legacy law passed in 1987 provides operating funds to our Civic Center. It has always been our intent that those dedicated funds remain in place. In the measure passed by the House last session, all of the new funds were committed entirely to the TDA. This balances the legacy law with the new funding, providing additional marketing money to the TDA.

This community's commitment to the Civic Center is not in question. Every member of our local hospitality group – hoteliers, restaurateurs, event venues – support using these new funds to promote the Civic Center as the chief generator of hotel room nights. We are committed to applying a significant portion of these new dollars to benefit that major, soon to be modernized and expanded, asset. Our plan will be to develop an Interlocal Agreement or Memorandum of Understanding to formalize that funding allocation once the TDA bill passes and is established. The Civic Center is the anchor to most of the Visitor Center Activity and marketing that we anticipate.

Since the last General Assembly Session where our bill was allowed to fail, Mayor Chet Mann has negotiated the purchase of the Train Depot Building and the City plans to use it as the TDA's headquarters and a Visitor's Center. This will be staffed and operated by SAGA. Both the City of Sanford

and County of Lee have appropriated funds in anticipation of the assurances received that the Sanford TDA bill would pass in this session of the General Assembly.

It is our clear understanding that Rep. Ted Davis, who chairs the House Local Government Committee, has stated that SB 874, as currently drafted, will not pass the House. Further, our community leadership understands that HB 490 contained acceptable language. The language in lines 19-24 of SB 874 is the problem. We do not care if SB 874 is amended to reflect the standard language acceptable to the House and the Travel and Tourism Coalition or whether you simply accept language contained in HB 490. What we can't accept is to have our TDA Bill fail to pass in this session of the General Assembly. Please consider modifying your bill or accept HB 490 language and work with Representatives Reives and Salmon to get this through the Senate and the House.

Sincerely,

Joy Thrash  
CEO  
Sanford Area Growth Alliance

Donnie Oldham  
Chair  
Sanford Area Growth Alliance

Amy Dalrymple  
Chair  
Lee County Commissioners

Chet Mann  
Mayor  
City of Sanford

Don Andrews  
Mayor  
Town of Broadway

Julian Philpott  
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Central Carolina Community College

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Kirk J. Bradley  
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Charlie Welborn  
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Kim Sutton  
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Sanford Area Growth Alliance

T.E. Marchant  
President  
Central Carolina Community College

*ALL NAMES SIGNED*