

MINUTES
WILKES COUNTY BOARD OF COMMISSIONERS
August 2, 2022

PUBLIC HEARING – CONSIDERING LEVYING ROOM OCCUPANCY TAX OF UP TO SIX PERCENT (6%) – Chairman Keith Elmore declared the Public Hearing open concerning the Room Occupancy Tax of up to six percent (6%) at 6:02 P.M. on Tuesday, August 2, 2022 with the following members present: Chairman Keith Elmore, Vice Chairman Casey Joe Johnson, Commissioner Eddie Settle, and Commissioner Brian S. Minton.

Also present for the meeting were Tony Triplett, County Attorney; John Yates, County Manager; Chris Huffman, Finance Director; Brooke Felts, Assistant County Attorney; and Sarah Call, Clerk to the Board.

Chairman Elmore stated anyone who would like to sign up to speak during the Public Hearing will need to sign in with the Clerk at any time during the Public Hearing. He added if anyone signed up and the people that spoke before you have covered your points please keep this in mind. They would like to not have the same points repeated and keep the meeting moving forward. Chairman Elmore asked County Attorney Tony Triplett to provide background on this topic at this time. Mr. Triplett stated the Boards practice and policy for public hearings is to always hear comments, it has not traditionally been to answer questions or engage in a back and forth with audience members. He added the Board wants to hear comments from the audience tonight pro or con on how they feel about the issue. If there are questions after the meeting or another time he is always glad to answer questions, but not in the context of a public hearing.

Mr. Triplett stated the purpose of the public hearing tonight is to hear comment on the Occupancy Tax. In 2010 the State Legislature passed a Bill authorizing, but not requiring the Wilkes County Board of Commissioners to imposed an Occupancy Tax. This is not on the agenda tonight for action, just for a public hearing. If the Board elects to do this it would require two Resolutions. The first would impose the Occupancy Tax which can be anywhere from 1% to 6%, the second would be to set up a Board to govern the expenditures of the Occupancy Tax. He added the Town of Wilkesboro has already done this and they have a 3% Occupancy Tax and have their own Board, called a Tourism Development Authority (TDA). The legislation passed for the County provides the same and the Commissioners would appoint a Board and establish a TDA to administer the Occupancy Tax. Mr. Triplett said the Occupancy Tax would be assessed against any accommodation that is required to pay a sales tax under a certain revision of the NC Revenue Act. Which are most Hotels, Motels, Air B&B, VRBO, Tourist lodges anything of this nature is typically subject to an Occupancy Tax if it is imposed. He added the Board could elect to not proceed in this manner which would require a new local bill. At this time, they are bound by the local bill from 2010. What is before the Board is if they want to proceed under the current local Bill from 2010 to set up a local TDA and impose up to a maximum of 6% Occupancy Tax.

Mr. Triplett added the tax by this bill can only be applicable to any accommodations in areas of Wilkes County outside the corporate limits of the Towns of Wilkesboro, Ronda, and North Wilkesboro. Furthermore, the expenditures of the TDA of the money raised by the occupancy

MINUTES

August 2, 2022

Page 2 of 18

tax can only be for the benefit of areas outside the corporate limits of the three towns as well, according to this local bill. He added an expenditure could indirectly benefit the Towns, but they cannot directly authorize anything within the Towns. For example, in Wilkesboro they have spent some of their TDA funds for Bike trails which is permitted and the County can do the same, but they could not be used for trails inside the town limits. This is what they will hear Public comments on tonight. Chairman Elmore thanked Mr. Triplett.

Chairman Elmore recognized the following speaker for the Public Hearing:

CINDY MITTET – Ms. Mittet thanked the Board and stated *“my name is Cindy Lou I truly believe the smart and right decision on this matter is to be against it. Tonight, I feel good sitting in front of everyone to say I has survived the last 17 years as a single woman, small business owner of Wilkes County where I love to live. In those years many challenges 2007-08 the financial bottom fell out, then Covid and the amendment to shut us down which we complied with, no business, no income coming in and we are still recovering from that. Now we are in a 40 year high inflation where everyone is taking a huge hit being squeezed with high costs of goods and services and have to rethink how they are doing everyday life. To considering targeting one type of small business is not right, and will have a negative reaction. I asked my guest last night when I had to go over how she would feel if she was charged up to possibly 6% on here next stay. She said that she would have to think about it because a cruise might be more feasible. This would be a very expensive stay for them. We are team players and want Wilkes to thrive. I put my heart and soul into this town and I will do what it takes but I want to be fair. The burden needs to be shared we know things take time, the public has not seen any detailed business plan, graphs or proposal on how this money might be spent. Does this TDA get paid, do they get a salary, an anybody apply for this job. I am asking you to vote what you truly, truly believe if this tax was placed on your personal business and yours alone. Would you vote for or against this? Thank you”*.

MICHAEL POWELL – Mr. Powell stated *“I am coming late to the game and Sarah answered some questions for me earlier on the phone. I travel all over the place and am used to paying hotel tax. It is common in a lot of areas. If you decide that is where you are going to stay that is what you pay. My concern is how the money will be spent. It is interesting that only one area is actually being targeted. How are these areas outside the corporate areas of Wilkesboro and North Wilkesboro. How would that advertisement be to benefit them, but not the bigger cities. There is a small percentage of small businesses, Air B&B's, Bed & Breakfasts no major hotels are actually being charged this because they are already in Wilkesboro. You are kind of targeting the little guys to pay this, and I hope you would be able to show a good plan of where there is a payback to them. You are putting an onus on them to have to collect this. Like a sales tax if I don't collect it correctly I get penalized. I want to see a benefit for me to be able to pay that tax because I am liable for it if not paid correctly. There is a sales tax audit. Is there going to be a bed tax audit that these businesses will have to go through too. Just food for thought, thank you for your time”*.

BILL BLACKLEY – Mr. Blackly stated *“Thank you, I do not live in Wilkes County but spend a lot of time here. I think what I am pitching for is the economy. The reason I say that is I have*

MINUTES

August 2, 2022

Page 3 of 18

been involved in Elkin Valley Trails, Mountains-To-Sea Trails, and a whole bunch of outdoor recreational opportunities. We got started on TDA money from Elkin. We are building trails through Wilkes County and all the way through Surry County. I can tell you that one of the biggest things about recruiting people to your community, and we have done a lot of studies on this, is outdoor recreational opportunities. Talk about attracting business and companies this is about spurring the economy, stretching the tax dollars. When we started up we did not take any money from the county or city because we did not want to stretch their budget or time. The little seed money from the TDA really helped kick things off and enabled you to stretch your tax dollars. You can put it on trails, you can establish a horse theme for your county you have a great opportunity where they need some seed money to get it started. That might be every year for a while, but after you develop it you will bring in a lot of money to promote events. It sounds like a tax and it is, but it is all people out of town paying it, none goes to the state. It all stays here. You can design a plan to help those people to get a vision to bring in long term discretionary money. That's about it. It takes time and energy to work with Carter Falls but it is going to be something amazing and that is kind of what this money would be for. The Mountain-To-Sea Trail was just voted in the top 11 long hikes in America, it comes through Wilkes County. If a good opportunity arises and you have some extra money to jump on that it would be good. Everywhere I go out of town you pay that tax”.

MITCHELL LAWRENCE – Mr. Lawrence thanked the board for the opportunity and said *“I am absolutely against the tax and one of the reasons I am against the tax is because I moved to unincorporated Wilkes County to open a VRBO to supplement my retirement in a town that I chose to live in, which is Boomer. The problem is the business plan is very finite and is not just mine and I am sure there are many in my same position. When you add 6% especially in a deceasing economy I don't see the timing is perfect. I have been a small business owner for a long time and unfortunately the bottom lines are what keeps things rolling. Yes, I could charge my guests 6%, but that means my rentals are now 6% higher so it is money out of their pocket and I don't think they have it to spend. They might want to spend that money somewhere else. Right now, I think rentals in Boomer are a deal for the area and one of the reasons it is successful for us and works out well, but something I have learned tonight that want to add. I think we are putting the cart before the horse, a TDA should be developed before we set the tax so we can decide what the money will be spent for. Rather than asking to give money, why can't we put ourselves in the position if this is what we need money for. I think it will be a lot easier for small business owners like myself to be accepting to raise more money. If we know what we are gong to get for our money because that is a part of business. That is what I am here for, I am in an unincorporated area because I liked how it worked and how the tax base was and I would like to keep it that way. I appreciate your time”.*

JOHN DAVIS – Mr. Davis thanked the Board for the opportunity for their voices to be heard, he stated *“There are some great points that have already been made and will do his best not to reaerate those points too much. My wife and I own a small business in Boomer as well, we have two short term rentals that are really part of our retirement plan. We made the somewhat risky decision to take money out of our 401Ks and some other retirement funds to invest in rental properties to give us something to do in the next stage of our life. Obviously the burden of this tax draws some significant concerns as to what that might mean to our business. I think you*

MINUTES

August 2, 2022

Page 4 of 18

heard some good points about the timing today and I think the timing of the proposal couldn't be at a worse time. You heard tonight inflation is as high as it has been in 4 decades. Interest rates have spiked again, and when I think about the first thing I would give up in an increased economy trying to budget money to make ends meet. I'm going to keep food on the table and roof over my head. I think we could all agree on of the first things we would forgo with out families would be leisure travel. I see the proposal of the increased tax with no purpose today. We should say no and spend more time understanding how that's going to benefit small businesses. You heard from some other small business owners tonight, the timing is really bad, leisure travel will be the first thing to go. My question is what is the problem we are trying to solve, I heard tonight this tax has been on the table since 2010, this is 2022. We haven't needed it yet so why would we be talking about putting a tax on the table when we are at the height of a recession and 4 decades of inflation. I would like to propose that we put some more thought into that. If you think about this tax and I think it is trying to drive more foot traffic into Wilkes County, let's look at leisure can we have attractions, trails and get people excited to come to the town. Who benefits from the traffic to the Town of Wilkesboro or Wilkes County, all businesses benefit. Where do you think they go to get their groceries when staying at a short term rental or go out to eat, or buy their consumable products. It is all the local businesses that get the benefit, but yet the short term rental owners are the ones footing the tax for that. I can't get my head around why that would make sense at all. In closing, I would like to offer a solution. I will be the first to admit I don't know what we can and can't do, but when I think through the benefit, I am person that can look at both sides and make a grounded recommendation based on facts. When I look at benefits of driving traffic in, that could be great and a lot of businesses could prosper from. We just need to make sure we spread the cost of that out a little bit. With no problem to solve I don't know why we would be implementing a tax. It may be way different if there was a proposal that we could get excited about of how this will help our businesses and help us survive. We haven't heard that tonight and I would go back 2010 to 2022 we are all here and doing ok and that in itself would be my argument for the close on top of the small percentage of folks that would be impacted by the proposal of the tax increase. I appreciate your time and look forward to the outcome and being able to do more together".

TREVOR WHITSON - Mr. Whitson stated "Thank you for opening this for public discussion. I am a Wilkes County resident since 2006 and a business owner in Wilkes County as well. My business partner unfortunately could not be here tonight and sends her apologies. She has sent emails to Mr. Elmore and I have worked with Mr. Settle at the beginning of the pandemic when we were all trying to figure out how to navigate the vacation rentals. My business partner and I own Leatherwood Mountains Resort and outside of the hotels in Wilkesboro we are the largest contributor to vacation rentals in the County. Historically we have felt a little bit on the outside of Wilkes County and so of course we have had mixed emotions about this. As a lot of folks have mentioned tonight I do know to the end user, the people that rent the houses, this will be an additional charge to them. I am in the fortunate situation where I have a lot of experience working with people in Wilkes County, my wife is Executive Director at the YMCA, my younger brother is with MerleFest and one thing I know about Wilkes County is when the people of Wilkes County put their heads to something they really get involved. They really care about this community and the attraction to it. Publicly we want to put our support behind the tax. This will be a difficult thing to overcome immediately, we do millions of dollars of rentals a year in Wilkes

MINUTES

August 2, 2022

Page 5 of 18

County. No one promised us a rose garden and there are obstacles in life and I think it is a very exciting time in Wilkes with the activity going on at the Speedway, development of the Greenway Trails, Carolina in the Fall is here, MerleFest is doing well. All of the efforts that the people put forward to enhance Wilkes County is something to be proud of. I love what the TDA in Wilkesboro has done. They are really making steps to enhance peoples experience coming to Wilkes County. Our rental houses are full when MerleFest is here, our rental houses get business with Carolina in the Fall, and there are people that stay in Leatherwood to go ride the bikes at the trails and things like that. I want to thank you gentleman for the job that you do, let you know we are in support of this and behind it. If we can do anything to help or be involved when the TDA is formed if this occupancy tax goes trough we are glad to help. That is the extent of what I wanted to say and appreciate you very much, thank you”.

ERIC WOODRIDGE – *Mr. Woodridge stated “He is president of Destination by Design, I live in Boone, NC and am president of a small planning firm that works with local governments across Western NC and across the region. They are in 6-7 states currently predominantly tourism economies to include Florida, Oregon, Michigan, Alabama, but most is in Western NC. We were the consultants hired to develop the Wilkes County Outdoor Action Plan. Many of you were at the meeting when it was presented and also a follow up meeting to the public as well to present the results of that document. They worked over 12 months to receive public comments and to develop the master plan. Which I think outlines a number of exciting opportunities for Wilkes County and ways in which these dollars could be used. What is exciting about TDA’s is that you don’t just spend these dollars, you leverage those dollars. As mentioned earlier it was seed money for Mr. Blakely, so how do you transform these dollars to secure state, federal, and local dollars. I agree with the comments you have to have plan, a vision and road map for how to execute the work, because it is about stewardship. They have a tremendous story to tell here and a story people need to hear in Charlotte, Winston, Raleigh and what is the funding source utilized to do that. All of the communities around you, your competitors have Occupancy Tax and they are going hard at it. Some of the clients are McDowell County, Watauga County, and Rutherford County Tourism have leveraged between the three \$20 million in grant funds utilizing Occupancy Tax. You are not using the local general fund dollars to multiply that. What you get in return this particular planning documents laid out many things. The Yadkin River Paddle Trail, elevate the river access, make them safe and have fantastic signage. The infrastructure is there it just needs to be elevated as a tourism product and small business can celebrate that and put great marketing material in the short term lodges for folks to come and experience these areas of the county. They are working on the gateway entrance sign and a great brand was developed as part of the Wilkes County project. How do you welcome people into the county, this is something that can be utilized with TDA funds? The Reddies River Park, The Boroughs River District would require cooperation and multiple TDA’s. The Over Mountain Victory Trail, connecting Wilkes to Elkin through a trail system, Arts, Cultural, events and all these entities. I would encourage the public to go to WilkesOutdoorActionPlan.com and the final document will be added to this site. I encourage you, like your neighbors, to adopt an Occupancy Tax. This is one of their recommendations that was in this plan. They encourage them to adopt at a 6% level to match everyone around you. I feel fully confident, and understand a lot of comments, but there will be a return on this investment. In 10 years, they will look back and be proud how they*

MINUTES

August 2, 2022

Page 6 of 18

took these dollars and multiplied in the community to create a phenomenal quality of life and expand economic development in the community. Thank you”.

MARK COOK – *Mr. Cook stated “I am a small business owner and most of the small business owners that have gone before me are in the short term rental business, I am retail. A lot of the people I am talking to and having conversations about this are as well. I am more optimistic long term about Wilkes than I have been in a long, long time. With you guys working on the College Promotive Scholarship to WCC, what N.C. Tech Paths is doing, the whole Outdoor Economy plan that is getting ready to be presented can do for the County. It is a tremendous opportunity and it’s an opportunity I do not want us to miss, this could be a big part of it. Obviously we are for it, but I hate to call it a tax, I think this is a disadvantage. It is a tourist contribution to our economy. I am saying that, but will not be the person collecting it, to me this is how I look at it. Long term very optimistic. Short term a lot of the retailers, businesses and short term rental are all concerned are we in a recession or not. It does not matter what you call it, you can feel it, business is calming down a little bit. This is at a time while the supply chain is difficult, shipping is difficult, payroll is a challenge to get good people and pay a fair wage right now. We are up against that, while we are seeing business slow down and are concerned about what is coming before us. I understand it will be indirect since this won’t go directly to Wilkesboro, but rising tides raise all ships. The more people, the more tourist in the short term that we can bring into the County the more money that will be shared around. Long term we can use this to make Wilkes more attractive to bring in people to relocate and bring in businesses. I understand the concerns having to charge 6% more, I have a friend that has a short term B&B, I said how would you like to charge 6% more, he said I hate it and I am not going to do it. I said let me tell you what the plan is. Fortunately, I have become more involved with the Outdoor Economy Plan and I am coming at the tail end and have done nothing but have sit in on the meetings and see what is happening. I have seen a little of what Eric was talking about and what the opportunities are. I understand the concerns that charging another 6% might put someone at a disadvantage, I would argue we are at a disadvantage now because the people around us are collecting that. They are leveraging that to increase tourism, and it needs to be in North Wilkesboro and Wilkesboro and across the board. If we ask them to collect it we owe it to the County to utilize it the best way possible, to bring in more people so it is not costing them 6%. They are investing this to bring more people in to have the rentals flow all the time to be able to charge more for the rentals, they have to have a confidence the money will be used wisely. This is key and the Outdoor Economy Plan is laying out an advertising campaign, a logo that all the governments agreed on, which is remarkable, but they need money to promote it and Wilkes. Wilkes is an absolutely amazing place with a lot of things to offer, I have lived here almost all my life and I am still learning about things that I did not know we had. We need a campaign, we need the ability to get this out to the people around us and bring them into our community. It might be difficult having to do that 6%, but it needs to pay off for them. We absolutely have to do this and have to do in a way that everyone benefits. From a retailer, this is my two cents. Thank you”.*

THOMAS SALLEY – *Mr. Salley stated “Thank you, good evening Commissioners, Staff, Citizens of Wilkes County, I am the director of the Wilkesboro TDA. We are all gathered here tonight because we want the same thing to see Wilkes County prosper. In 2020, over 1.5 million*

MINUTES

August 2, 2022

Page 7 of 18

visitors came to Wilkes County and spent more than \$74 million on lodging, food and beverage, recreation, retail, and transportation. This accounted for more than 3,000 jobs and \$74 million deposited by the visitors into Wilkes County. This year Wilkesboro tourism spending has increased by nearly 30%. Our County has done an exceptional job with aiding and developing our tourism assets, but so far have used our tax dollars to do so. I am here to tell the general public and our leaders that there is another way through the use of visitor funded short term lodging, or occupancy tax. Because of tourism and visitors spending their dollars in our community each Wilkes County resident enjoys an \$85 tax savings on their property tax each year. If the county leverages this visitor paid funding opportunity to promote its many wonderful opportunities and amenities and to improve and create new ones, it shifts the burden of tourism infrastructure from the Wilkes County taxpayer to the Wilkes County tourist, Wilkes residents will save even more. Tonight, opens a new chapter for the prosperity of Wilkes County in 1.5 hours green flags will drop and engines will roar at the North Wilkesboro Speedway for first time in 11 years. This race track revival did not happen by accident. It was the result of years of careful county led planning, marketing, collaboration, and then execution. The effort to bring back the North Wilkesboro Speedway is essentially a case study in what is being debated tonight and what could be possible with dedicated visitor paid revenue. I asked you objectively when you google Wilkes County what do you see? When you talk about Wilkes County outside these chambers, what do you hear? Do you want to have a voice in our own story or are we content to continue to let the narrative be dictated by what others have seen or heard about us? How many times have you seen or heard something about Wilkes County and thought if they would only visit they would understand what it is really like here. The evidence is clear that implementing a visitor paid Occupancy Tax, investments in marketing and infrastructure will increase tourism, commerce, job creation, and wage growth. Tonight, Commissioners I ask you to approve this measure and put dollars back into the pockets of Wilkes County Tax payers. If allowed I would like to address some of the questions that have been asked. With the money we have in Wilkesboro we have a very small budget. We can't afford research analytics, but a lot of those things would allow us to pinpoint the specific traveler demographic and with social media and targeted public relations we can drive the customer directly to specific lodging. They could also drive opportunities like the Blue Ridge Crafts trail that was created with the Blue Ridge National Heritage area that features artist all throughout the County that will help bring attention to County assets and amenities. Also, the Wilkesboro TDA and I believe it is the same with this particular law lodging, owners must make up 40% of the Board so lodging owners always have a majority stake in the how the money is being spent. Thank you".

MARGARET MARTINE – Ms. Martine stated “*I am from Ferguson, sometimes we feel like the red headed stepchild out in Ferguson and we do provide a lot. We currently have an air B&B guest from Denmark and he comes every year except during Covid he couldn't. He is a fanatic about the Tom Dula story and it is amazing how many people are interested in history. That has not been mentioned tonight at all. Our area is rich in history and is never emphasized as a way to bring in more tourist to our area. Tom Dula event is happening on September 24th 10AM until 5PM and we have all kinds of activities from old time demonstrations to music and more. We have a lot of people that come from out of the area, believe it or not to Ferguson NC. We do a lot for tourism here for Wilkesboro and North Wilkesboro our manual at our Air B&B have different restaurants listed that are our favorites, cinema, and art gallery in Wilkes. My*

MINUTES

August 2, 2022

Page 8 of 18

question is what can you guys do for us? We are sending people your way all the time, but I don't feel like we every get any support from Wilkes County as a whole. I bet a lot of you have never been to Whippoorwill Academy and Village which I inherited after my mother, Edith Carter passed away a few years ago. We hold special events there, we are getting ready to build a large barn which will be an event area. It has been done with grass roots money from individual donors chipping in the help build this barn. We are looking forward to having lecture series there, contra dances, concerts, and that kind of thing in Ferguson. Our farm has been in the family since the 1700's, it's a large space. We don't have biking trails we have lots of land for people to hike on and look, we have lots of people come that want their kids to see cows for the first time. We are not a big extravagant something that is happen, but we also hold weddings there and have had over 140 weddings at the farm. We love running our Air B&B all of our money goes right back into it, because the house was built in the 1870's by my great-grandfather Captain Lindsey Ferguson and we believe in restoration of old historic buildings. I live in one of those buildings to from the 1830's. We feel strongly about promoting history, promoting the arts, and promoting agricultural. How they find us in Ferguson I don't know except Air B&B and go on and see some place unique. Our place attracts people interested in history. I don't know how you can help me but putting an additional tax on, if you can convenience me we are going to benefit from what you want to do, then hip, hip, hooray I will lead the parade. Right now, I don't see how you can help me more than we are helping ourselves. We run a good business, and have met some interesting people from all over the world. They come to Ferguson, do we have a restaurant in Ferguson? No but they come to Wilkes County to the restaurant to eat, and to get their groceries. We do not have a grocery store in Ferguson, we have a gas station. They come to Wilkesboro and North Wilkesboro to do this. I feel we have been scratching your backs and I am ready from someone to scratch mine. Thank you so much for giving me the opportunity to speak. I am proud of this County and I am proud of all the things we have going on here I just wish more people would give some attention to those of us on the outlying areas. I am glad to see so many from Boomer tonight. We really feel like we are making a difference in the county and we would love to see you on September 24th at the Tom Dula and Appalachian Cultural Event Day”.

ANDREW PALMER – Mr. Palmer stated *“I live in North Wilkesboro and want to say thanks for having this Public Hearing and allowing people to come voice their concerns and desires. I believe Wilkes County has more opportunity coming to it than we have had in my life time. I'm 38 years old and I believe we could be a hub of Western NC and have a lot of potential that is unrealized and this could be one tool to help us do it. I think by doing this we could bring money into our community that could help businesses with local economy, wages, jobs, and in turn the quality of life for people in our county. I see it like this, we have 3 options: we do nothing and do not have marketing budget which I saw is not wise; or we can have a marketing budget that is on the backs of tax payers, people paying property taxes. That would not be popular and would not be the wise thing to do; or we could have this tax on hotels, bring money in from people that are staying here like so many other communities are and have a marketing budget that is not on the backs of the tax payers. I think that is the fiscally responsible thing to do, I think it is the conservative thing to do, and I feel like that money could open so many doors for our community. We can leverage it for grants, build attractions and things throughout the county. We have a lot to offer and a lot that people just don't know about, they have never seen it. Sometimes because*

MINUTES

August 2, 2022

Page 9 of 18

we grew up here we maybe take it for granted. Hopefully, we have people here that have a vision and can see it and we can market it to the outside world. I ask you guys to strongly consider doing the Occupancy Tax and think about what it can mean for our future. I truly believe that this County and the Towns have their best days ahead. I think we can do things much bigger and that we could put this county on the map as a destination for people to come and a real hub. There are 84 counties in the state out of 100 that already have this in place, there's 7 more that the county doesn't have it but a town in the county has it. There are only 9 counties in our whole state that doesn't have this. I want to say what message are we trying to send to incoming businesses and industries that may be looking here because at the end of the day this is a business decision for our community as a county government. We want to send a message that we are doing what we can to strengthen our economy and we are up with the times. It is 2022, and we are serious about bringing money into this community and at the end of the day hopefully we can do that and increase the change and opportunity and the quality of life for the people of Wilkes. I really appreciate you guys doing this".

BRETT COTHREN – Mr. Cothren stated *"I am a Wilkes County native born and raised, graduated from North Wilkes, graduated from ASU, small business owner, and appreciate your time tonight. I do want to throw my support behind this tax and I hate a tax. This is visitor funded money that stays in this community. What keeps me up at night with some of the Board I have served on is we have lost population in the county since 2010. We are down 5.1% we are at 65,000 people. If you think about that, I looked at the census for this county when I was born in 1972. It was 53,000 people in the county and in 50 years we have grown 12,000 people. I say that because I'm going to give you a prime example of one person that moved here, Mic Zulpo he is from the Raleigh/Cary area. He came to Buck Mountain to stay, loved it so much he and Ashley, put roots down here. They purchased the old Roses building in North Wilkesboro and opened the Block which we are so proud to have. If we are not growing we are dying so I am pro bringing people in, pro tourism, and I think the occupancy dollars that are visitor funded can be spent wisely with the appropriate board. Thank you".*

Mr. Mitchell Lawrence an earlier speaker asked to say a few more comments. Mr. Lawrence said *"Maybe the question is, I don't think any short term rental owner has a problem with taxes. That's what makes our nation great. Maybe if that tax is lead towards the institutional renter and not the small business renter. It is a burden, 6% charged to our customers and coming off our bottom line is a burden. As a new developer like the race way instead of \$8 tickets why not \$10 tickets or a new hotel coming in, why can't the tax be directed at those. I come from the land of Disney, they get way to many tax breaks for the size they are and that is who should be able to fund this. We are citizens and the money we do raise from rental is still spent in our community. It is not sent out to some foreign investor or some business entity in another country or town. We are still raising money at our short term rental and we are spending here. That money is taxed over and over again between sales tax, property tax that we all pay on our rentals. Maybe it is the wording of how the tax is structured as opposed to saying we are charging every bed 6%. Why not charge for everyone that owns 100 beds 6% and charge that way. This way an institutional person understands that is the cost of doing business. Because every short term rentals' business plan was not based around an additional 6% tax. It was*

MINUTES

August 2, 2022

Page 10 of 18

based on exactly how we stood today, maybe new or institutional companies can pay the higher tax and not the tax burden to the small guy.

DANIEL ISOM – Mr. Isom stated *“I am the president of Spectrum Hospitality Management, we own and operate the Hampton Inn, Holiday Inn Express in Wilkesboro. We are in the process of renovating the old Red Carpet Inn and converting to a Red Roof Inn and Suites in Wilkesboro. I also serve as the Chairman of the Wilkesboro TDA Board. I empathize and relate to every comment that’s been made tonight and understand the concern and fear from the short term rentals that exist in the County. I also understand the need for prosperity and growth here in Wilkes. Currently we collect a 3% tax in Wilkesboro, if there are any concerns I would let everyone know we have had a bill in front of the State to increase to 6% in the Town for about a year and are waiting for it to be passed. We want everyone in the county to be on equal footing, so it is our goal in Wilkesboro. We see the benefit of the tax we already collect to such a degree that we want to double that tax because we think we can do so much more with more dollars in the Town. I heard comments about representing the county, if you go to the TDA website you’ll see the web address is actually WilkesCountyTourism.com and we do everything we can to promote the County and the Town of Wilkesboro. We certainly have a directive to promote the Town of Wilkesboro but we absolutely spend dollars that are generated in Wilkesboro to bring people into the county to stay in places in the county. We bring in travel writers, that write for magazines, blogs, and tourism websites, some stay in town and some stay out of town. They go and do things in town and out of town, we already see the value and benefit of the county as a whole. We absolutely want to see the county be an equal partner in that and to continue to prosper with a tax generated outside the town in addition to what we already do for the county with the tax generated in town. I appreciate you taking the time to really consider this tonight. The questions that have been presented about a budget and how monies would be spent. We are directed to spend out money in two ways, marketing and advertising and grant funds. That’s at least 2/3 in marketing and advertising and not more than 1/3 in grant funds and I assume those same bounds would be placed on a Wilkes County TDA by the state. This gives you a sense of how dollars collected would in turn be spent within the county. It’s only to bring more people here, to put more people in our short term rentals in the county and town and increase tourism in Wilkesboro and Wilkes County as a whole. That’s our goal and why we invest in Wilkesboro. As to the point of institutions vs. small businesses I don’t think the state allows that in the way it collects the tax, but all of our owners in our hotels are from Wilkes County. They live in Wilkes County and take the dollars generated from the hotels in Wilkes County and put it back in to Wilkes County because they want to see this county prosper and grow. I think it is in such a great place right now, we are so excited about what is happening in this county and that’s why we purchased the Red Carpet Inn and making it a brand new hotel. We are not putting a Band-Aid on it. We have gutted it and are turning it into a brand new facility because we see the value and upward projection that we think Wilkes County is on. I think you can see that too and I appreciate your considering this tonight. Thank you”.*

TOM SILVA – Mr. Silva stated *“My wife and I own a winery, vineyard, restaurant and have several lodgings on site and recently have a 12 site RV park. We have been there 8-10 years and our business are doing great, like our friend from Ferguson we have folks from all over Europe, Singapore. How they find beautiful downtown Traphill all the way from Singapore is something*

MINUTES

August 2, 2022

Page 11 of 18

to be said. I am pretty conservative and as soon as I heard the word tax I said I am not for it. When found out the customers are paying for it I said that is not such a bad idea and I can probably live with it. I have seen what seed money from tourism can do. Our Winery belongs to a group of 12 wineries called Surry Wineries. We happen to be a member because when it stated you did not have to be in Surry County, now you do, but we are grandfathered in. We are getting the advantage of Surry tourism money at our winery. We have a Winter passport that was designed to bring people into the wineries in the wintertime because this is our slowest time. The winter passport allows them to go through 10-12 wineries, 3 breweries and a distillery for a free tasting and so forth for about \$100 for two people, which is a pretty good deal. Before the Tourism people started working with us we sold about 300 winter passports and in 2 years working with tourism and them funding advertisement in magazines and such, we are at 700 passports or 1400 people coming to all our wineries between November and March. This is a real payback we see it. They eat, buy wine, and stay the weekend. The benefits of this cascades down to all of us. I am for this and think it is something that is good, with a little bit of planning and management I think it will have a great payback. For all of us outliers, step-children that live in Ferguson, Traphill, Boomer, Hays it will help us all. Thank you.

Chairman Elmore asked if anyone else would like to speak, hearing no comments he declared the Public Hearing closed at 6:59 P. M. to Consider Levying Room Occupancy Tax of up to Six Percent (6%).

The Wilkes County Board of Commissioners met on Tuesday, August 2, 2022 at 7:09 P.M. with the following members present: Chairman Keith Elmore, Vice Chairman Casey Joe Johnson, Commissioner Eddie Settle, and Commissioner Brian S. Minton.

Also present for the meeting were Tony Triplett, County Attorney; John Yates, County Manager; and Sarah Call, Clerk to the Board.

Chairman Keith Elmore welcomed everyone and called the meeting to order at this time.

INVOCATION – Vice Chairman Casey Joe Johnson led the Invocation.

PLEDGE OF ALLEGIANCE – Chairman Keith Elmore led the Pledge of Allegiance at this time.

APPROVAL OF MINUTES – Motion was made by Commissioner Brian S. Minton, seconded by Vice Chairman Casey Joe Johnson and unanimously adopted to approve the Minutes of the Board Meeting held on July 5, 2022.

BUDGET AMENDMENTS/TRANSFERS – Motion was made by Commissioner Eddie Settle to approve Budget Amendment No. 1 (Health – Programs – Wilkes Health received \$339,847 from the state for ELC Enhancing Detection COVID/Communicable Disease to provide COVID testing and epidemiologic surveillance related activities. No county money used. Wilkes Health received \$4,926 from the state for CD Disease Pandemic Recovery. These funds will provide communicable disease surveillance, detection, control and prevention activities to address the

COVID public health emergency and other CD challenges. No county money involved. Wilkes Health received \$75 from the state for the Breast and Cervical Cancer Program (BCCCP). These funds will be used to provide screening mammograms and/or cervical cancer screenings for uninsured/underinsured patients in Wilkes County. No county money involved. Wilkes Health received \$7,002 from the state of Breast Feeding Peer Counselor program. These funds will be used to increase breastfeeding initiation and duration among women participating in the WIC program. No county money involved). The motion was seconded by Commissioner Brian S. Minton and unanimously approved.

MILLERS CREEK VOLUNTEER FIRE DEPARTMENT, INC. – NEW TRUCK PURCHASE – Chairman Elmore welcomed Board President Joe Rankin. Mr. Rankin thanked the Board and said he has Jake Golds with him tonight. He stated Millers Creek VFD wanted to give notice to the Commissioners that they have ordered a new fire truck. It will be replacing a 1994 pumper which is their first out vehicle. They are progressing and trying to improve their equipment to service the citizens of Millers Creek and this is the next step in their process. Chairman Elmore thanked them and added they do a great job; the Fire Commissioner is out tonight. Commissioner Settle added they very much appreciate all the extra things that the local fire departments do for the citizens such as clearing trees from roadways. Folks don't realize all the things the fire departments do, it is amazing. Mr. Rankin agreed, he did not realize all the did until he joined the fire department and you take them for granted because they have always been there. Whether it is directing traffic or clearing trees you call and they come.

Chairman Elmore and the Board thanked Mr. Rankin, Mr. Golds, and Millers Creek Volunteer Fire Department for coming tonight and all they do for their community.

BLUE RIDGE OPPORTUNITY COMMISSION (BROC):

1. HOME AND COMMUNITY BLOCK GRANT FINAL FY 2021 BUDGET – Chairman Elmore recognized Dare Stromer, BROC Executive Director and Katelyn Pruitt, SNS Director. Ms. Pruitt thanked the Board for allowing them to come tonight and said she is the Director for Senior Nutrition Services and Meals on Wheels. She said this past year has been tough with inflation and cost of food, but they finished the year strong. They are here to present the FY 2021-2022 final budget for approval. Ms. Pruitt went through the final budget in detail at this time: the total for the Block Grant for FY 21-22 for BROC: \$267,433; required local match of \$36,350; 38,189 units. Wilkes Senior Resources: the total Block Grant was \$227,123; required local match \$25,236; 35,600 units. Ruby Pardue Blackburn Adult Day Care: the total Block Grant was \$26,478; required local match \$2,942; 10,079 units.

Commissioner Eddie Settle made a motion to approve the Blue Ridge Opportunity Commission Home and Community Block Grant FY 2021-2022 Final Budget as presented at tonight's meeting. The motion was seconded by Commissioner Brian S. Minton and unanimously approved.

2. HOME AND COMMUNITY CARE BLOCK GRANT FY 2022-2023 BUDGET – Ms. Pruitt stated this is the Home and Community Care Block Grant FY 2022-23

MINUTES

August 2, 2022

Page 13 of 18

Budget for next fiscal year. She added it is challenging to make a budget due to the cost of gas and food, but they will get it done. Ms. Pruitt went through the proposed budget for the Block Grant for FY 22-23 for BROC: \$310,017; required local match of \$34,446; 36,500 units. Wilkes Senior Resources: the total Block Grant was \$227,123; required local match \$25,236; 21,415 units. Ruby Pardue Blackburn Adult Day Care: the total Block Grant was \$27,680; required local match \$3,076; 10,080 units.

The Board thanked Ms. Stromer and Ms. Pruitt for all they do for the Seniors and the great job they do in Wilkes County.

Commissioner Eddie Settle made a motion to approve the Blue Ridge Opportunity Commission Home and Community Block Grant FY 2022-2023 Budget as presented at tonight's meeting. The motion was seconded by Commissioner Brian S. Minton and unanimously approved.

DEPARTMENT OF SOCIAL SERVICES – UPDATE – Chairman Elmore recognized John Blevins, DSS Director. Mr. Belvin said everything is going well, they are still in the audit with no paybacks. He provided the Commissioners with handouts for June. He briefly went over the monthly caseload report, Foster Care financial report, Adoption Services financial report, Child Development and Subsidized Child Care financial report. He also went through the CPS Foster Care monthly reports for June. Chairman Elmore asked if anything is coming up in the next year that they need to be aware of. Mr. Blevins said if the Medicaid expansion goes through they could have to add staff to meet the needs. That would be 3,984 cases and 5,124 more individuals. Currently they have 21,294 with 900 to 1,000 per worker which is high. They would need 5 to 7 extra workers and a supervisor, this is 75/25 reimbursement, but the feds are changing some things and they may be some changes that will affect this. He added there would be a problem with space to put them as well. Commissioner Settle added they are talking about it, but there is still a split on the decision. Vice Chairman Johnson asked how long are the Foster Care classes to become certified. Mr. Blevins replied 30 hours, it takes time.

The Board thanked Mr. Blevins for his update.

RESOLUTION – REQUESTING EXTENSION OF NO WAKE ZONE – W. KERR SCOTT DAM & RESERVOIR AT DAM SITE COVE, RESERVOIR ROAD AND SMITHEY'S CREEK PUBLIC RAMP, S. MINTON ROAD, WILKESBORO, N.C. –

Assistant County Attorney Brooke Felts stated they have Dave Funderburk from the Corps here tonight to answer any questions as well. She added before the Board is a Resolution requesting Rulemaking to extend the No Wake Zone at W. Kerr Scott. A few meetings back they had a presentation on this and in the packets they have a map with the proposed extension sites. Ms. Felts said this Resolution requests that the State take the next step toward implementing the extension of these No Wake Zones. Commissioner Minton asked if Smithey's Creek and Fort Hamby are the Boat launch and the swimming area. Mr. Funderburk replied, it will be the cove between the Smithey's Creek boat ramp and the Fort Hamby boat ramp, and also at the dam site.

Commissioner Brian S. Minton made a motion to approve the Resolution Requesting Rulemaking for the Extension of No Wake Zone at W. Kerr Scott Dam & Reservoir at Dam Site

Cove, Reservoir Road and Smithey's Creek Public Ramp, S. Minton Road, Wilkesboro, N.C. as presented at tonight's meeting. The motion was seconded by Vice Chairman Casey Joe Johnson and unanimously approved.

*RESOLUTION REQUESTING RULEMAKING FOR THE EXTENSION
OF A NO WAKE ZONE LOCATED ON W. KERR SCOTT DAM & RESERVOIR
AT DAM SITE COVE, RESERVOIR ROAD AND
SMITHEY'S CREEK PUBLIC RAMP, S. MINTON ROAD, WILKESBORO, NC.*

WHEREAS, the North Carolina Wildlife Resources Commission completed an assessment of the area and made a recommendation to expand the current No Wake Zone; and

WHEREAS, the North Carolina Wildlife Resources Commission found the proposed No Wake Zone is needed to ensure the safety of the recreating public in this area; and

WHEREAS, the North Carolina Wildlife Resources Commission will enforce the No Wake Zone once buoys are installed; and

WHEREAS, the W. Kerr Scott Reservoir unanimously recommended the Board of Commissioners of Wilkes County submit an Application for Water Safety Rulemaking to expand the No Wake Zone in accordance with the attached map; and

WHEREAS, Wilkes County has given public notice of the intention to apply for rulemaking on waters within the County's territorial jurisdiction.

NOW, THEREFORE, BE IT RESOLVED, the Board of Commissioners of Wilkes County, North Carolina hereby adopts the following resolution for the state to consider expanding the No Wake Zone area in accordance with the attached map.

Approved by the Wilkes County Board of Commissioners of the County of Wilkes, this the 2nd day of August, 2022.

*Gideon Keith Elmore,
Chairman of the Wilkes County Board of Commissioners*

ATTEST:

Sarah D. Call, Clerk

SOLID WASTE AND RECYCLING AGREEMENT – Chairman Elmore recognized Anderia Byrd, Solid Waste Director. Ms. Byrd thanked the Board and said this is the updated Solid Waste and Recycling Agreement. The previous agreement was signed with Foothills and Wilkes

County in 2012 this is an updated version between GFL and Wilkes County. The main changes include removal of all unmanned recycle sites and updates to the per cubic yard cost. She added they currently pay \$3.53 per cubic yard for 6 yard container; \$12.18 per cubic yard for the VIP containers housed at three schools; \$25.46 per 90 gallon rollout container. These changes allow for consistency across the board and serves the facilities throughout the County and the Schools. Ms. Byrd said this agreement allows them to continue to serve 20 schools and 23 other facilities. The Landfill and GFL are currently abiding by this and requesting the Boards approval of the updated agreement. Commissioner Settle stated the county pays for the containers for the schools and that is supposed to be for the school's garbage only and not residents in the community. Ms. Byrd replied yes, they have had issues with this and address them when needed.

Commissioner Eddie Settle made a motion to approve the Solid Waste and Recycling Agreement between Wilkes County and Green for Life as presented at tonight's meeting. The motion was seconded by Commissioner Brian S. Minton and passed unanimously.

HEALTH DEPARTMENT – LETTERS OF SUPPORT FQHC COMPETITIVE GRANT

– Health Director Rachel Willard stated she is here on behalf of the Wilkes Community Health Center, which is their federally qualified health center. They provide primary care services to the community and are up for their service area grant which they have to compete for. It is possible they would lose it, however its not likely. Since they are only one of three public entities in the state they have to have support from the County Commissioners. They are asking for a letter of support from the Board and also from the County Manager as well. This is the third cycle applying for this HRSA funding, first was 2017 then 2019. She added last year the FQHC brought in about \$2.3 million which made up 27% of the Health Department's budget and does help support the function and services for the community. Generally, outside of Covid they bring in just under \$1 million and could not provide the primary care service without the FQHC.

Vice Chairman Casey Joe Johnson made a motion to approve the Letters of Support for the FQHC Competitive Grant as presented at tonight's meeting. The motion was seconded by Commissioner Brian S. Minton and unanimously approved.

RESOLUTION – TO SUPPORT FUTURE INTERSTATE DESIGNATION FOR U.S. HIGHWAY 421 IN WILKES, YADKIN, AND FORSYTH COUNTIES

– Assistant County Attorney Brooke Felts stated there has been a request for the Board to join an initiative to request that Congress designate Highway 421 as a future Interstate, in particular a segment that runs through Wilkes County. She added the advantages of this, as spelled out in the Resolution, is potential for future improvements to it as result of an interstate designation. Hwy 421 could be used down the road as an alternative route, locations for freight traffic, and decrease travel time through this area as well. This is before the Board and LeeAnn Nixon is here to answer any questions.

Commissioner Settle asked if Virginal Foxx is behind this since this is her district. Ms. Felts replied it came from Carolina Core. Ms. Nixon added Thom Tillis is supporting this. Chairman

Elmore added it should have been done long ago. Commissioner Settle agreed it was discussed when he was first elected and 421 goes all the way to Wilmington every Congress member along the route should be involved in this. Chairman Elmore stated there are developers from all over that do a search for designated road and if it is not designated as an interstate it does not come up in their search as a possible site at all. This will give them more hits and the possibility to bring more developers. Ms. Nixon agreed and added sometimes they want to be within so many miles of an interstate or airport and if you are not in this area you can't even respond to the request. Ms. Nixon said they would not be part of interstate 685 and have their own interstate number because it does not begin and end at an interstate. It would end in Wilkesboro and go back toward Winston to I40. If they could be designated as a future corridor, even if it takes time to go through the process, just being labeled the signs go up and they begin to get recognition. This will help with marketing as well.

Commissioner Brian S. Minton made a motion to approve the Resolution to Support Future Interstate Designation for U.S. Highway 421 in Wilkes, Yadkin, and Forsyth Counties as presented at tonight's meeting. The motion was seconded by Vice Chairman Casey Joe Johnson and unanimously approved.

*RESOLUTION TO SUPPORT FUTURE INTERSTATE DESIGNATION
FOR U.S. HIGHWAY 421 IN WILKES, YADKIN, AND FORSYTH COUNTIES*

WHEREAS, U.S. Highway 421 is a freeway in Wilkes, Yadkin, and Forsyth counties in the Piedmont Triad/Carolina Core region of North Carolina; and

WHEREAS, U.S. Highway 421 in this area connects Interstate 40 and Interstate 77, and these two major Interstates and their continued operations are critical to the state and nation's economic and transportation well-being; and

WHEREAS, designating this segment of U.S. Highway 421 as a Future Interstate is a clarification and logical extension of the congressionally-adopted 2021 legislation that designated a segment of U.S. Highway 421 as a Future Interstate in the Piedmont Triad/Carolina Core counties of Guilford, Randolph, Chatham, Lee, and Harnett; and

WHEREAS, U.S. Highway 421 is the "spine" of the Piedmont Triad/Carolina Core, a 17-county region with a population of more than 2.4 million people; and

WHEREAS, the region's growth continues, adding thousands of vehicles to the current infrastructure; and;

WHEREAS, Piedmont Triad/Carolina Core job-creation announcements total more than 18,600 new office/industrial jobs from January 2021 through June 2022 and an Interstate designation for this highway would provide an important link for workers commuting to jobs in the region's urban core of Winston-Salem, Greensboro, and High Point; and

WHEREAS, additional justifications for such an Interstate designation include improving the movement of freight traffic, providing better travel time reliability, allowing a good alternative route if an incident occurs on I-40, I-77, or Future I-74; and providing a high-design evacuation route in the event of natural disasters; and

WHEREAS, the upgrade to Interstate status for U.S. Highway 421 in these three counties would increase safety, mobility, and economic development; and

WHEREAS, the North Carolina Department of Transportation supports the local governments' efforts pursuing future Interstate designation through North Carolina's congressional delegation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of County Commissioners of Wilkes County hereby, by and through adoption of this Resolution, supports the efforts to designate U.S. Highway 421 in Wilkes, Yadkin, and Forsyth counties as a Future Interstate and asks that the U.S. Congress designate this segment as part of the nation's High Priority Corridors on the National Highway System.

Adopted this the 2nd day of August, 2022.

*Gideon Keith Elmore, Chairman
Wilkes County Board of Commissioners*

ATTEST:

Sarah D. Call, Clerk

SET SPECIAL CALLED MEETING OF THE MOTORSPORT RELIEF FUND DESIGN BUILD COMMITTEE FOR THE NORTH WILKESBORO SPEEDWAY PROJECT– Mr. Yates stated the Design Build proposals are due August 12, 2022 and asked if they would like to set a meeting of the Committee for August 16, 2022 at 5:00 PM. This will be before the next Board meeting and they could go over the proposals received and score sheets at this time. Mr. Triplett said this will be a Special Called Meeting of the Motorsport Relief Fund Design Build Committee.

Motion was made by Vice Chairman Casey Joe Johnson to set a Special Called meeting of the Motorsport Relief Fund Design Build Committee for the North Wilkesboro Speedway project on Tuesday, August 16, 2022 at 5:00 PM in the Commissioners Meeting Room located at 110 North Street, Wilkesboro, NC 28697. The motion was seconded by Commissioner Eddie Settle and unanimously approved.

NEW BUSINESS – Commissioner Eddie Settle stated he received a message from Commissioner Elect Stoney Greene who said the race track is packed. He is normally here but gave the Invocation tonight at the Racetrack. Chairman Elmore added that is great and they appreciate Mr. Greene.

ADJOURN - Motion was made by Commissioner Brian S. Minton, seconded by Vice Chairman Casey Joe Johnson and by unanimous vote adopted to adjourn the meeting of the Wilkes County Board of Commissioners at 7:57 P.M.

Sarah D. Call, Clerk

Gideon Keith Elmore, Chairman

WILKES COUNTY BOARD OF COMMISSIONERS

Approved: August 16, 2022