

## ORANGE COUNTY BOARD OF COMMISSIONERS

### A Resolution Regarding Uses of Potential Revenues from a One-Quarter Cent (1/4¢) County Sales and Use Tax

WHEREAS, there are significant pressing infrastructure, economic development, school, and other County capital needs that are precipitated by growth pressures and the new economic reality facing Orange County; and

WHEREAS, it is important to provide Orange County taxpayers with alternatives to the pressure to raise property taxes to address these and other County needs; and

WHEREAS, the levy of a Article 46 one-quarter cent (1/4¢) County sales and use tax would provide a new County revenue source and would generate approximately \$2,500,000 annually for the County; and

WHEREAS, it is important for Orange County to plan for future economic development that will enable the County to recruit, retain, grow, and generate businesses and jobs that are desirable; and

WHEREAS, it is important that Orange County expand collaboration and cooperation of economic development efforts and decisions between Orange County and the towns of Chapel Hill, Carrboro and Hillsborough and the cities of Mebane and Durham; and

WHEREAS, it is important for Orange County to meet public school needs; and

WHEREAS, the Board of Commissioners establishes a ten-year commitment to allocate Article 46 one-quarter cent (1/4¢) County sales and use tax proceeds as follows:

- a. 50% of the funding will be allocated in an equitable manner between the County's two school systems for the dedicated purpose of funding capital projects, including but not limited to facility improvements at 'older' schools and the procurement of technology. The Board requests that each school system furnish the Board of Commissioners with a detailed list of prioritized projects that could be completed with anticipated funding over the next ten years. The Board will evaluate the projects and approve a ten-year plan which will be incorporated into the County's Capital Investment Plan. As part of the Capital Investment Plan annual review, progress will be evaluated annually and adjustments made according to needs agreed upon by the School Boards and Board of County Commissioners;
- b. 50% of the funding will be allocated to Economic Development initiatives including but not limited to: funding utility infrastructure needed to recruit and locate new businesses, small business loans to help existing businesses expand, innovation centers to provide space for new start-up businesses, funding support for the County's agricultural businesses, and Business Investment Grants. The Board of Commissioners will approve a ten-year Economic Development Plan as part of the County's Capital Investment Plan; and

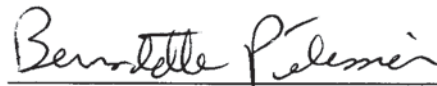
WHEREAS, if additional funding does not come from the one-quarter cent (1/4¢) County sales and use tax, the property tax will be the primary funding source available for schools and economic development initiatives; and

WHEREAS, to distinguish and separate the revenues produced through this ¼ cent sales tax, if approved by Orange County voters, a Special Revenue Fund will be established to receive and account for the sales tax revenue. These funds will remain separate from the County's general fund to allow for more accurate tracking of revenues and expenditures in accordance with initial ten-year allocation plan established as part of this resolution;

NOW, THEREFORE, BE IT RESOLVED THAT the Orange County Board of Commissioners hereby states its intent to use the revenues from the Article 46 one-quarter cent (1/4¢) County sales and use tax, if approved by the voters of Orange County, for currently unfunded or underfunded economic development and public school capital needs for a period of ten years, with a scheduled implementation date of April 1, 2012.

BE IT FURTHER RESOLVED THAT proceeds from the one-quarter cent (1/4¢) County sales and use tax in later years will be used to address priorities as established by the Board of Commissioners in the County's Capital Investment Plan.

This the 19<sup>th</sup> day of April, 2011.



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Bernadette Pelissier, Chair  
Orange County Board of Commissioners