PUBLIC COMMENT SIGNUP SHEET

Pursuant to N.C. Gen. Stat. §153A-52.1, the Henderson County welcomes public comment at its meetings. Please note that each speaker is limited to three (3) minutes, unless a different time limit is announced. Also, the Board may adopt rules limiting the number of persons speaking taking the same position on a given issue, and other rules regarding the maintenance of good order.

Each speaker should be aware and by their signatures hereto they agree that their comments may be recorded (by audio-visual recordings, photography or other means), and may be (but are not required to be) broadcast by the County as a part of the broadcast of this meeting, or as a part of the County’s programming on its local video channel(s). By their signature they further agree that Henderson County is and will be the sole owner of all rights in and to such programming. The undersigned hereby indemnifies Henderson County, its employees and agents, against any and all claims, damages, liabilities, costs and expenses arising out of the use of the undersigned’s images and words in connection therewith.

1. **Ron Kauffman**
   - Printed Name: Ron Kauffman
   - Address: 880 S. Park Place, Hendersonville, NC 28791
   - Topic: Increased Taxes for FR Playhouse

2. **Steve Carlisle**
   - Printed Name: Steve Carlisle
   - Address: 995 Fostel Hill Dr, Hendersonville, NC 28739
   - Topic: Tax Increase for FR

3. **Dennis Justice**
   - Printed Name: Dennis Justice
   - Address: 31 Tamis Lane, Fletcher, NC 28739
   - Topic: Flat Rock Playhouse

4. **Joe Pirog**
   - Printed Name: Joe Pirog
   - Address: 105 Campbell Dr, Flat Rock, NC 28731
   - Topic: Tax/Playhouse
<table>
<thead>
<tr>
<th></th>
<th>PRINTED NAME</th>
<th>SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>Philip Stanley</td>
<td>Philip Stanley</td>
</tr>
<tr>
<td></td>
<td>63 Banner Farm Rd</td>
<td>Accommodation Tax</td>
</tr>
<tr>
<td></td>
<td>Mills River</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>John Gallenburger</td>
<td>John G.</td>
</tr>
<tr>
<td></td>
<td>1072 Old Creek Rd</td>
<td></td>
</tr>
<tr>
<td></td>
<td>H'ville, NC 28739</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Jane Bilello</td>
<td>Jane Bilello</td>
</tr>
<tr>
<td></td>
<td>218 Vincent Rd</td>
<td>Occupancy Tax for Playhouse</td>
</tr>
<tr>
<td></td>
<td>H'ville, NC 28739</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Glen Engleman</td>
<td>Glen Engleman</td>
</tr>
<tr>
<td></td>
<td>230 Millard J Dr</td>
<td>Playhouse Occupancy Tax</td>
</tr>
<tr>
<td></td>
<td>H'ville, NC 28739</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Jack Crew</td>
<td>John E.</td>
</tr>
<tr>
<td></td>
<td>86 Lily Pad Lane</td>
<td>Occupancy Tax</td>
</tr>
<tr>
<td></td>
<td>Flat Rock</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>John Van Blaricom</td>
<td>John Van Blaricom</td>
</tr>
<tr>
<td></td>
<td></td>
<td>OCCUPANCY TAX</td>
</tr>
</tbody>
</table>
11. Gordon McAuliffe
   PRINTED NAME
   Taken Mountain Travel Park + Cottages
   MAILING ADDRESS
   Signature
   Rate Increase
   Topic

12. Karen Orbaugh
   PRINTED NAME
   Cedarwood Inn
   MAILING ADDRESS
   Signature
   Occupancy Tax Increase
   Topic

13. Barbara Lackey
    PRINTED NAME
    Bee Hive Cottages
    MAILING ADDRESS
    Signature
    Occupancy Tax Increase
    Topic

14. Landen Gailey
    PRINTED NAME
    Green Mountain Lodge
    MAILING ADDRESS
    Signature
    Topic

15. Bill McCartney
    PRINTED NAME
    Signature
    Occupancy Tax
    Topic

16. Michael Whipple
    PRINTED NAME
    Baldwells 250 feet for Occupancy Tax Increase
    Mills Rd 28759
    MAILING ADDRESS
    Signature
    Topic
<table>
<thead>
<tr>
<th></th>
<th>PRINTED NAME</th>
<th>SIGNATURE</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.</td>
<td>SANDRA CLOER</td>
<td></td>
<td>Tax increase</td>
</tr>
<tr>
<td></td>
<td>CRYSTAL COVE COTTAGES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>Doug Liszewski</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6 THORNAPPLE DR</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>Shelby Mood</td>
<td></td>
<td>Tax increase</td>
</tr>
<tr>
<td></td>
<td>2030 S Mills Gap Rd</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hendersonville NC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20.</td>
<td>George Daniel</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flat Rock</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### CURRENT HENDERSON COUNTY ECONOMIC DEVELOPMENT CONTRACTS
(as of August 8, 2012)

<table>
<thead>
<tr>
<th>Company</th>
<th>Company's Capital Investment</th>
<th>County's Economic Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borg-Warner (2/6/09-12/31/17)</td>
<td>$12,571,000.00</td>
<td>$232,312.00</td>
</tr>
<tr>
<td>Continental-Teves I (11/15/06-12/30/12)</td>
<td>$4,300,000.00</td>
<td>$86,000.00</td>
</tr>
<tr>
<td>Continental-Teves II (8/15/07-12/31/16)</td>
<td>$8,700,000.00</td>
<td>$160,750.00</td>
</tr>
<tr>
<td>Continental-Teves III (8/15/09-12/31/20)</td>
<td>$30,157,000.00</td>
<td>$ *</td>
</tr>
<tr>
<td>C.L. Henderson Produce (4/09-4/30/12)</td>
<td>$1,500,000.00</td>
<td>$40,000.00</td>
</tr>
<tr>
<td>Elkamet (8/15/11)</td>
<td>$2,000,000.00</td>
<td>$50,332.80</td>
</tr>
<tr>
<td>Legacy Paddlesports (12/25/11-12/31/19)</td>
<td>$4,500,000.00</td>
<td>$95,000.00</td>
</tr>
<tr>
<td>Meritor Heavy Vehicle (6/20/08-3/31/20)</td>
<td>$32,300,000.00</td>
<td>$ *</td>
</tr>
<tr>
<td>Prince Manufacturing (8/12/08-12/31/16)</td>
<td>$650,000.00</td>
<td>$12,000.00</td>
</tr>
<tr>
<td>Putsch &amp; Co. (2/2/12-12/31/21)</td>
<td>$2,750,000.00</td>
<td>$47,122.76</td>
</tr>
<tr>
<td>Raflatac (3/31/11-12/31/19)</td>
<td>$11,500,000.00</td>
<td>$186,650.00</td>
</tr>
<tr>
<td>Sierra Nevada (2/6/12-12/31/20)</td>
<td>$107,500,000.00</td>
<td>$3,750,000.00</td>
</tr>
<tr>
<td>WilsonArt (2/16/09-12/31/18)</td>
<td>$1,194,000.00</td>
<td>$27,029.00</td>
</tr>
</tbody>
</table>

* Based on ad valorem property taxes
Sent: Wednesday, May 30, 2012 10:24 AM  
To: 'tom.apodaca@ncleg.net'; 'chuck.mcgrady@ncleg.net'  
Cc: Bill O'Connor; Charlie Messer; J. Michael Edney; Larry Young; Tommy Thompson; Steve Wyatt  
Subject: Occupancy Tax

Last evening the Board of Commissioners of Henderson County passed, by a 4-1 vote, an oral resolution requesting that the General Assembly authorize the increase of the occupancy tax in Henderson County from its current five percent of gross receipts to six percent. The Board requested that in the event that the occupancy tax be increased that the Board of Commissioners, and not to the Travel and Tourism Board, be authorized to appropriate the revenue from this additional one percent.

Electronic copies of the session laws establishing and modifying Henderson County’s room occupancy tax are attached. The General Statute on occupancy tax only partially applies to Henderson County by its terms.

Please do not hesitate to contact me if you have questions.

[Signature]

Charles Russell Burrell  
Office of the County Attorney  
Henderson County

1 Historic Courthouse Square, Suite 5  
Hendersonville, North Carolina  28792  
Telephone (828) 697-4719  
Facsimile (828) 697-4536

PUBLIC RECORD: The foregoing is a public record under North Carolina law.
From: Russ Burrell  
Sent: Tuesday, July 03, 2012 9:49 AM  
To: Bill O'Connor; Charlie Messer; J. Michael Edney; Larry Young; Tommy Thompson  
Cc: Steve Wyatt; David Whitson  
Subject: Overnight in the General Assembly

H1215, the occupancy tax changes bill, went through conference committee, and a new, slightly modified version emerged ("the conference committee version"). A copy of the conference report and the committee substitute is attached.

Under the conference committee version:

- The additional sixth percent is authorized.
- The sixth percent goes to "The Vagabond School of the Drama, Inc." (Flat Rock Playhouse) for "maintenance, operation, renovation and promotion . . . including the Mainstage and the Playhouse Downtown locations." This provision lasts from the adoption of the sixth percent by the Board of Commissioners until 7/1/2014. (This is the main difference from the Senate Committee substitute, which was effective until 2015.)
- Changes the "Travel and Tourism Committee" into the "Tourism Development Authority", with members appointed 3 by the Board of Commissions, 3 by the City of Hendersonville, 1 by Fletcher, 1 by Flat Rock, and 1 by Board of Commissioners upon recommendation of the Chamber of Commerce. 1/3 of the members must be "individuals affiliated with businesses who collect the tax", and 2/3 must be "currently active in the promotion of travel and tourism in the county". The Board of Commissioners still appoints the chair. The Board of Commissioners must act to create the resolution regarding Authority membership by 9/1/2012.

The House is calendared to vote on this at 11:00 am this morning (7/3/2012). I would guess it will be added to the Senate calendar and voted on shortly thereafter. The General Assembly is expected to adjourn the session sine die today.

[Signature]

Henderson County

Charles Russell Burrell  
Office of the County Attorney  
Henderson County

1 Historic Courthouse Square, Suite 5  
Hendersonville, North Carolina 28792  
Telephone (828) 697-4719  
Facsimile (828) 697-4536

PRIVILEGED AND CONFIDENTIAL: This electronic message and any attachments are confidential property of the sender. The information is intended only for the use of the person to whom it was addressed. Any other interception, copying, accessing, or disclosure of this message is prohibited. The sender takes no responsibility for any unauthorized reliance on this message. If you have received this message in error, please immediately notify the sender and purge the message you received. Do not forward this message without permission.
(e) Distribution and use of tax revenue. The Town of Blowing Rock shall retain from the gross proceeds of the tax an amount sufficient to pay its direct costs for administrative and collection expenses, not to exceed three percent (3%) of the gross proceeds. The town council shall, at least once annually, conduct a hearing on the proposed use of the net proceeds of the tax. The amount of the net proceeds shall be reported at the hearing. After the hearing, the town council may remit twenty percent (20%) of the net proceeds reported at the hearing to the Blowing Rock Chamber of Commerce. The Blowing Rock Chamber of Commerce may use the funds remitted to it pursuant to this subsection only to promote tourism within the Town of Blowing Rock. The remainder of the net proceeds may be used by the town to enhance the ability of the town to attract tourism, except that the town may not expend any of the net proceeds for general fund operating expenses that are not tourist-related or for water and sewer capital or operating expenses that are not tourist-related.

(f) Effective date of levy. A tax levied under this section shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(g) Repeal. A tax levied under this section may be repealed by a resolution adopted by the Blowing Rock Town Council. Repeal of a tax levied under this section shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied under this section does not affect a liability for a tax that was attached before the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal.

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 11th day of May, 1987.

H.B. 626

CHAPTER 172

AN ACT AUTHORIZING HENDERSON COUNTY TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

Section 1. Section 1(g) of Chapter 929 of the 1985 Session Laws (Regular Session 1986) reads as rewritten:
“(a) The Cities of Hickory and Conover may by joint resolution, after not less than 10 days public notice and after a public hearing held pursuant thereto, levy a room occupancy and tourism development tax. The City of Goldsboro and Hendersonville may by resolution, after not less than 10 days public notice and after a public hearing held pursuant thereto, levy a room occupancy and tourism development tax.”

Sec. 2. Section 7(a) of Chapter 929 of the 1985 Session Laws (Regular Session 1986) reads as rewritten:

“(a) When the Cities of Hickory, Goldsboro and Conover adopt a resolution levying a tax under this act, they shall also adopt a resolution creating a Tourism Development Advisory Council. When the City of Goldsboro or Hendersonville adopts a resolution levying a tax under this act, it shall adopt a resolution creating a Tourism Development Advisory Council. The membership of the Hickory/Conover Tourism Development Advisory Council, and the membership of the Goldsboro Tourism Development Advisory Council, and the membership of the Hendersonville Tourism Development Advisory Council are as follows:

(1) Three owners/operators of hotels, motels, or other taxable accommodations in the Cities of Hickory and Conover: two of whom shall be appointed by the Hickory City Council and one appointed by Conover City Council. The City of Goldsboro shall appoint three owners/operators of hotels, motels, or other taxable tourism accommodations to its Tourism Development Advisory Council. The City of Hendersonville shall appoint three owners/operators of hotels, motels, or other taxable tourism accommodations to its Tourism Development Advisory Council.

(2) Three individuals who have demonstrated an interest in convention and tourism development and do not own or operate hotels, motels, or other taxable tourism accommodations, one of whom shall be appointed by the Catawba County Chamber of Commerce, one appointed by the Hickory City Council and one by the Conover City Council. The City of Goldsboro shall appoint three individuals who have demonstrated an interest in conventions and tourism development in the Goldsboro area, and who do not own or operate hotels, motels, or other taxable tourism accommodations. The City of Hendersonville shall appoint three individuals who have demonstrated an interest in conventions and tourism development in the Hendersonville area, and who do not own or operate hotels, motels, or other taxable tourism accommodations.
CHAPTER 172    Session Laws — 1987

(3) Three ex officio members shall be the City Managers of Hickory and Conover and Executive Vice President of the Catawba County Chamber of Commerce. If other municipal corporations levy the tax and allocate same to the Council, their chief appointed official. as defined in N.C. General Statutes, Chapter 160A, Article 7, Part 2. shall also serve as an ex officio member of the Council. The City of Goldsboro shall appoint three ex officio members which shall include the city manager, the executive vice-president of the Goldsboro Chamber of Commerce, and the mayor of the City of Goldsboro. The City of Hendersonville shall appoint the following three ex officio members to its Tourism Development Advisory Council: a member of the Henderson County Board of Commissioners, the executive vice—president of The Greater Hendersonville Chamber of Commerce, and the mayor of the City of Hendersonville."

Sec. 3. Section 9(a) of Chapter 929 of the 1985 Session Laws (Regular Session 1986) reads as rewritten:

"(a) The Cities of Hickory and Conover may by joint resolution repeal the levy of the room occupancy tax levied by them. The City of Goldsboro and Hendersonville may by resolution repeal the levy of the room occupancy tax levied by them. No repeal of taxes levied under this act shall be effective until the end of the fiscal year in which the repeal resolution was adopted."

Sec. 4. Chapter 962 of the 1985 Session Laws (Regular Session 1986) is repealed.

Sec. 5. Occupancy Tax. (a) Authorization and Scope. The Board of Commissioners of Henderson County may by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto, levy a room occupancy tax of no less than three percent (3%) nor more than five percent (5%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(3). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations.

(b) Collection. Every operator of a business subject to the tax levied under this act shall, on and after the effective date of the levy of the tax, collect the tax. This tax shall be collected as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately from the sales records, and shall be paid by the purchaser to the operator of the business as trustee for and on account of the county. The tax shall be added to the sales price and
shall be passed on to the purchaser instead of being borne by the operator of the business. The county shall design, print, and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax.

(c) Administration. The county shall administer a tax levied under this act. A tax levied under this act is due and payable to the county finance officer in monthly installments on or before the 15th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this act is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law.

(d) Penalties. A person, firm, corporation, or association who fails or refuses to file the return required by this act shall pay a penalty of ten dollars ($10.00) for each day’s omission. In case of failure or refusal to file the return or pay the tax for a period of 30 days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to any other penalty, with an additional tax of five percent (5%) for each additional month or fraction thereof until the tax is paid.

Any person who willfully attempts in any manner to evade a tax imposed under this act or who willfully fails to pay the tax or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars ($1,000). Imprisonment not to exceed six months, or both. The board of commissioners may, for good cause shown, compromise or forgive the penalties imposed by this subsection.

(e) Use of Tax Revenue. The county shall place the net proceeds collected from a tax levied under this act in a special Travel and Tourism Fund. Revenue in this fund may be used only to promote travel and tourism in the county. This fund will be administered by the Henderson Travel and Tourism Committee. As used in this subsection, "net proceeds" means gross proceeds less five percent (5%) of the gross proceeds which the county may retain to defray the cost of administering and collecting the tax.
CHAPTER 172  

The scope of promotion of travel and tourism in the county may include the following:

(1) Contracting with any person, firm, or agency to advise and assist in travel and tourism promotion.

(2) Advertising via appropriate media.

(3) Assisting in the initial funding and possible annual subsidy of a fine arts center or other similar facility which could logically be expected to promote tourism in the county.

(4) Promoting special events which would bring tourists to the county.

(f) Effective Date of Levy. A tax levied under this act shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(g) Repeal. A tax levied under this act may be repealed by a resolution adopted by the board of commissioners of the county. Repeal of a tax levied under this act does not affect a liability for a tax that attached before the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal.

Sec. 6. Henderson Travel and Tourism Committee. When the board of commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating the Henderson Travel and Tourism Committee, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The Committee shall consist of nine voting members as follows:

(1) Four members who are registered to vote in Henderson County, appointed by the Henderson County Board of Commissioners;

(2) Four members who are registered to vote in Henderson County, appointed by the Hendersonville City Council; and

(3) The President of the Greater Hendersonville Chamber of Commerce, or his designee, to serve ex officio.

The board of commissioners shall designate one member of the Committee as chair and shall determine the compensation, if any, to be paid to members of the Committee. The Committee shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The finance officer for Henderson County shall be the ex officio finance officer of the Committee. The Committee shall administer the Travel and Tourism Fund as provided in Section 1(c) of this act. The Committee shall report quarterly and at the close of the fiscal year to the board of commissioners on its expenditures for the preceding quarter and for the year in such detail as the board may require.
Sec. 7. Repeal of a tax levied under Chapter 929 or 962 of the 1985 Session Laws (Regular Session 1986) does not affect a liability for a tax that attached before the effective date of this act, nor does it affect a right to a refund that accrued before the effective date of this act.

Sec. 8. This act is effective upon ratification.
In the General Assembly read three times and ratified this the 11th day of May, 1987.

H.B. 525

CHAPTER 173

AN ACT TO INCREASE THE HENDERSON FIREMEN’S SUPPLEMENTAL RETIREMENT SYSTEM BENEFITS.

The General Assembly of North Carolina enacts:

Section 1. Section 1 of Chapter 111 of the 1981 Session Laws reads as rewritten:

"Section 1. Section 4 of Chapter 810 of the Session Laws of 1959, as amended, is further amended by deleting the sixteenth sentence, which reads: "Each retired fireman receiving supplemental benefit in accordance with this Act shall receive the same amount of supplemental benefit per month; provided that the maximum payment to any retired member of the Henderson City Fire Department from said Fund shall be fifty dollars ($50.00) per month.", and by substituting the following two sentences: "Each retired fireman receiving supplemental benefit in accordance with this act shall receive the same amount of supplemental benefit per month. The maximum payment to any retired member of the Henderson City Fire Department from the Fund is fifty dollars ($50.00) per month through December 31, 1980, and one hundred dollars ($100.00) per month thereafter through December 31, 1986, and two hundred dollars ($200.00) per month thereafter."

Sec. 2. Nothing in this act creates a liability for the Henderson Firemen’s Supplemental Retirement System unless there are sufficient current assets available in the System to pay fully for the liability.

Sec. 3. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 11th day of May, 1987.

H.B. 389

CHAPTER 174

AN ACT TO AMEND THE FIREMEN’S RELIEF FUND TO PROVIDE ADDITIONAL BENEFITS.
Sec. 2. This act is effective upon ratification.
In the General Assembly read three times and ratified this the 25th day of April, 1991.

H.B. 273

CHAPTER 55

AN ACT TO INCREASE THE PENALTIES FOR VIOLATION OF HENDERSON COUNTY'S OCCUPANCY TAX LAW.

The General Assembly of North Carolina enacts:

Section 1. Section 5(d) of Chapter 172 of the 1987 Session
Laws reads as rewritten:

"(d) Penalties. A person, firm, corporation, or association who
fails or refuses to file the return required by this act shall pay a
penalty of five dollars ($5.00) as an additional tax, as a penalty, of one
percent (1%) of the tax due for each day's omission, omission up to
30 days, with a maximum penalty of twenty-five dollars ($25.00). In
case of failure or refusal to file the return or pay the tax for a period
of 30 days after the time required for filing the return or for paying
the tax, there shall be an additional tax, as a penalty, of five percent
(5%) of the tax, ten percent (10%) of the tax and penalty due in
addition to any other penalty, with an additional tax of five percent
(5%) ten percent (10%) for each additional month or fraction thereof
until the tax is paid. The board of commissioners may, for good
cause shown, compromise or forgive the tax penalties imposed by this
subsection.

Any person who willfully attempts in any manner to evade a tax or
penalty imposed under this act or who willfully fails to pay the tax or
penalty or make and file a return shall, in addition to all other
penalties provided by law, be guilty of a misdemeanor and shall be
punishable by a fine not to exceed one thousand dollars ($1,000),
imprisonment not to exceed six months, or both. The board of
commissioners may, for good cause shown, compromise or forgive the
penalties imposed by this subsection."

Sec. 2. This act becomes effective October 1, 1991, and applies
to violations committed on or after that date.

In the General Assembly read three times and ratified this the 25th day of April, 1991.

S.B. 87

CHAPTER 56

AN ACT TO AUTHORIZE THE GOVERNOR TO APPOINT A
"COMPOSER-LAUREATE FOR THE STATE OF NORTH
CAROLINA."
CHAPTER 879  Session Laws — 1987

Sec. 28. Sections 1 through 20 of this act shall become effective September 1, 1987; the remaining sections of this act are effective upon ratification. Sections 1 through 15 shall apply to contested cases commenced on or after September 1, 1987. Sections 16 through 20 shall apply to petitions for review filed on or after September 1, 1987.

In the General Assembly read three times and ratified this the 14th day of August, 1987.

H.B. 1187  CHAPTER 879

AN ACT TO MAKE TECHNICAL CORRECTIONS IN THE 1987 SESSION LAWS AND TO CLARIFY WHEN AN AGGRIEVED PERSON MAY COMMENCE A CONTESTED CASE UNDER THE ADMINISTRATIVE PROCEDURES ACT.

The General Assembly of North Carolina enacts:

Section 1. Section 6 of Chapter 172, Session Laws of 1987, reads as rewritten:

"Sec. 6. Henderson Travel and Tourism Committee. When the board of commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating the Henderson Travel and Tourism Committee, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The Committee shall consist of nine voting members as follows:

1. Four members who are registered to vote in Henderson County, appointed by the Henderson County Board of Commissioners;

2. Four members who are registered to vote in Henderson County, appointed by the Hendersonville City Council; and

3. The President of the Greater Hendersonville Chamber of Commerce, or his designee, to serve ex officio.

The board of commissioners shall designate one member of the Committee as chair and shall determine the compensation, if any, to be paid to members of the Committee. The Committee shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The finance officer for Henderson County shall be the ex officio finance officer of the Committee. The Committee shall administer the Travel and Tourism Fund as provided in Section 1(e) of this act. The Committee shall report quarterly and at the close of the fiscal year to the board of commissioners on its expenditures for the preceding quarter and for the year in such detail as the board may require."

NORTH CAROLINA GENERAL ASSEMBLY
CONFERENCE REPORT
House Bill 1215*

H1215-CRSV-71 [v.3] Page 1 of 1

[NO] Title Change

[YES] For Committee Substitute

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on House Bill 1215, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE HENDERSON COUNTY BOARD OF COMMISSIONERS TO LEVY AN ADDITIONAL ONE PERCENT ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO MAKE OTHER ADMINISTRATIVE CHANGES, Senate Finance Committee Substitute Adopted 6/27/12, with Senate Amendment No. 1 adopted on 6/28/12, unengrossed, submit the following report:

The Senate recedes from Senate Amendment No. 1, adopted on 6/28/12, and the House and Senate agree to the following amendment to the Senate Finance Committee Substitute Adopted 6/27/12, and the House concurs in the Senate Finance Committee Substitute as amended:

Delete the entire Senate Committee Substitute and substitute the attached Proposed Conference Committee Substitute H1215-PCCS11396-SV2.

Date Conferees approved report: July 2, 2012.

Conferees for the Senate

Tom Apodaca, Chair
Harry Brown
Peter S. Brunstetter

Conferees for the House of Representatives

Edgar V. Starnes, Chair
Wm. C. "Bill" McGee
Tricia Ann Cotham

Submitted 7/2/12 w/o objection today's calendar 7/2/12
ADOPTED   ( / ) Message Received
ADOPTED   ( / ) Ordered Enrolled
May 31, 2012

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE HENDERSON COUNTY BOARD OF COMMISSIONERS
TO LEVY AN ADDITIONAL ONE PERCENT ROOM OCCUPANCY AND TOURISM
DEVELOPMENT TAX AND TO MAKE OTHER ADMINISTRATIVE CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. Section 5 of Chapter 172 of the 1987 Session Laws, as amended by
Chapter 55 of the 1991 Session Laws and by Section 21(p) of S.L. 2007-527, reads as
rewritten:

"Sec. 5. Occupancy Tax. (a) Authorization and Scope. — The Board of Commissioners of
Henderson County may by resolution, after not less than 10 days' public notice and after a
public hearing held pursuant thereto, levy a room occupancy and tourism development tax of
no less than three percent (3%) nor more than five percent (5%) of the gross receipts derived
from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel,
inn, or similar place within the county that is subject to sales tax imposed by the State under
G.S. 105-164.4(3), G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

This tax does not apply to accommodations furnished by nonprofit charitable, educational, or
religious organizations.

(b) Authorization of Additional Tax. — In addition to the tax authorized by subsection
(a) of this section, the Board of Commissioners of Henderson County may levy a room
occupancy and tourism development tax of one percent (1%) of the gross receipts derived from
the rental of accommodations taxable under subsection (a) of this section. The levy, collection,
administration, and repeal of the tax authorized by this subsection shall be in accordance with
the provisions of this section. Henderson County may not levy a tax under this subsection
unless it also levies the tax authorized under subsection (a) of this section.

(b) Collection. Every operator of a business subject to the tax levied under this act shall,
on and after the effective date of the levy of the tax, collect the tax. This tax shall be collected
as part of the charge for furnishing a taxable accommodation. The tax shall be stated and
charged separately from the sales records, and shall be paid by the purchaser to the operator of
the business as trustee for and on account of the county. The tax shall be added to the sales
price and shall be passed on to the purchaser instead of being borne by the operator of the
business. The county shall design, print, and furnish to all appropriate businesses and persons
in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax.

(c) Administration. — A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section. The county shall administer a tax levied under this act. A tax levied under this act is due and payable to the county finance officer in monthly installments on or before the 20th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 20th day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.

A return filed with the county finance officer under this act is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law.

(d) Penalties. A person, firm, corporation, or association who fails or refuses to file the return required by this act shall pay an additional tax, as a penalty, of one percent (1%) of the tax due for each day's omission up to 30 days, with a minimum penalty of twenty-five dollars ($25.00). In case of failure or refusal to file the return or pay the tax for a period of 30 days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of ten percent (10%) of the tax and penalty due in addition to any other penalty, with an additional tax of ten percent (10%) for each additional month or fraction thereof until the tax is paid. The board of commissioners may, for good cause shown, compromise or forgive the tax penalties imposed by this subsection.

Any person who willfully attempts in any manner to evade a tax or penalty imposed under this act or who willfully fails to pay the tax or penalty or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars ($1,000), imprisonment not to exceed six months, or both.

(e) Use of Tax Revenue. — The county shall, on a quarterly basis, remit the net proceeds of the room occupancy and tourism development tax levied under this act to the Henderson County Tourism Development Authority. The Authority shall use the net proceeds as follows:

(1) First five percent (5%). — At least two-thirds of the net proceeds of the room occupancy tax levied under subsection (a) of this section shall be used to promote travel and tourism in Henderson County and the remainder shall be used for tourism-related expenditures.

(2) Additional one percent (1%). — The net proceeds of the additional one percent room occupancy tax levied under subsection (a1) of this section shall be used for the maintenance, operation, renovation, and promotion of The Vagabond School of the Drama, Inc., including the Mainstage and the Playhouse Downtown locations.

(e1) Definitions. — The following definitions apply in this act:

(1) Net proceeds. — Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Promote travel and tourism. — To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.
Tourism-related expenditures. — Expenditures that, in the judgment of the entity responsible for expending the net proceeds of the tax, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a county or to attract tourists or business travelers to the county.

The term includes tourism-related capital expenditures.

shall place the net proceeds collected from a tax levied under this act in a special Travel and Tourism Fund. Revenue in this fund may be used only to promote travel and tourism in the county. This fund will be administered by the Henderson Travel and Tourism Committee. As used in this subsection, "net proceeds" means gross proceeds less five percent (5%) of the gross proceeds which the county may retain to defray the cost of administering and collecting the tax.

The scope of promotion of travel and tourism in the county may include the following:

(1) Contracting with any person, firm, or agency to advise and assist in travel and tourism promotion.

(2) Advertising via appropriate media.

(3) Assisting in the initial funding and possible annual subsidy of a fine-arts center or other similar facility which could logically be expected to promote tourism in the county.

(4) Promoting special events which would bring tourists to the county.

(f) Effective Date of Levy. A tax levied under this act shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(g) Repeal. A tax levied under this act may be repealed by a resolution adopted by the board of commissioners of the county. Repeal of a tax levied under this act does not affect a liability for a tax that attached before the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal.

SECTION 2.(a) Section 6 of Chapter 172 of the 1987 Session Laws, as amended by Chapter 55 of the 1991 Session Laws and by Section 21(p) of S.L. 2007-527, reads as rewritten:

"Sec. 6. Henderson Travel and Tourism Committee, Tourism Development Authority. (a) Appointment and Membership. — When the board of commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating the Henderson Travel and Tourism Committee, Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution adopted by the Board of Commissioners shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. However, no member shall serve on the Authority for more than five consecutive years. The Committee shall consist of nine voting members as follows:

(1) Four members who are registered to vote in Henderson County, appointed by the Henderson County Board of Commissioners.

(2) Four members who are registered to vote in Henderson County, appointed by the Hendersonville City Council and Council.

(3) The President of the Greater Hendersonville Chamber of Commerce, or his designee, to serve ex officio. One member who is registered to vote in Henderson County, appointed by the Fletcher Town Council.

(4) One member who is registered to vote in Henderson County, appointed by the Flat Rock Village Council.

(5) One member appointed by the Henderson County Board of Commissioners upon a recommendation of the Henderson County Chamber of Commerce.
Of these members, at least one-third of the members shall be individuals who are affiliated with businesses that collect the tax in the county, and at least one-half of the members shall be individuals who are currently active in the promotion of travel and tourism in the county.

The board of commissioners shall designate one member of the Committee Authority as chair and shall determine the compensation, if any, to be paid to members of the Committee Authority. The Committee Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The finance officer for Henderson County shall be the ex officio finance officer of the Committee Authority. The Committee shall administer the Travel and Tourism Fund as provided in Section 1(e) of this act.

(b) Duties. — The Authority shall expend the net proceeds of the tax levied under subsections (a) and (a1) of Section 5 of this act for the purposes provided in Section 5 of this act. The Authority shall promote travel, tourism, and conventions in the county, sponsor tourist-related events and activities in the county, and finance tourist-related capital projects in the county.

(c) Reports. — The Committee Authority shall report quarterly and at the close of the fiscal year to the board of commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require. The Vagabond School of the Drama, Inc., shall separately identify in its financial statements expenditures of funds that it receives pursuant to this act. The Vagabond School of the Drama, Inc., shall report annually by October 1 to the Authority expenditures of the funds received during the Authority's fiscal year pursuant to this act in such detail as required by the Authority or the Authority's Finance Officer."

SECTION 2.(b) This section is effective when it becomes law, and the board of county commissioners shall adopt a resolution establishing the Henderson Tourism Development Authority and make the changes to the membership as required by this section on or before September 1, 2012.

SECTION 3.(a) Subsection (e) of Section 5 of Chapter 172 of the 1987 Session Laws, as amended by Chapter 55 of the 1991 Session Laws, by Section 21(p) of S.L. 2007-527, and by Section 1(a) of this act, reads as rewritten:

"(c) Use of Tax Revenue. — The county shall, on a quarterly basis, remit the net proceeds of the room occupancy and tourism development tax levied under this act to the Henderson County Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it to promote travel and tourism in Henderson County and shall use the remainder for tourism-related expenditures. The Authority shall use the net proceeds as follows:

(1) First five percent (5%). — At least two thirds of the net proceeds of the room occupancy tax levied under subsection (a) of this section shall be used to promote travel and tourism in Henderson County and the remainder shall be used for tourism-related expenditures.

(2) Additional one percent (1%). — The net proceeds of the additional one percent room occupancy tax levied under subsection (a1) of this section shall be used for the maintenance, operation, renovation, and promotion of The Playhouse Downtown locations."

SECTION 3.(b) This section becomes effective July 1, 2014, and applies to room occupancy taxes collected on or after that date.

SECTION 4. G.S. 153A-155(g) reads as rewritten:

"(g) Applicability. — Subsection (c) of this section applies to all counties and county districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,
SECTION 5. Except as otherwise provided, this act is effective when it becomes law.
From: Rep. Chuck McGrady [Chuck.McGrady@ncleg.net]
Sent: Tuesday, July 03, 2012 2:14 PM
To: Tommy Thompson
Subject: Fwd: Henderson County Occupancy Tax

Sent from my iPad

Begin forwarded message:

From: "Rep. Chuck McGrady" <Chuck.McGrady@ncleg.net>
Date: July 3, 2012 1:15:35 PM EDT
To: "Mike Edney" <jmedney@michaeledneylaw.com>, "Tommy Thompson" <thompson@hendersonnc.org>, "Steve Wyatt" <swyatt@hendersoncountync.org>, "Bo Ferguson" <boferguson@cityofhendersonville.org>, "Barbara Volk" <bvolk@CityofHendersonville.org>, "Robert Staton" <mayor@villageofflatrock.org>, "Bill Moore" <genevam6@morrisbb.net>, "Mark Biberdorf" <m.biberdorf@fletchernc.org>, "Vincent Marini" <vincent@flatrockplayhouse.org>, "Vincent Marini" <vincentam@mac.com>
Cc: "Carolyn Justus" <ltjustus@bellsouth.net>, "Virginia Gambill" <vgambill@morrisbb.net>, "John Crook" <jcrook@morrisbb.net>

Subject: Henderson County Occupancy Tax

I tried to send a message, and my computer crashed. Since I'm not sure that message got out, I'll give you the information again.

HB 1215 (as amended) passed the House today. This is the bill that Sen. Apodaca negotiated with House Finance Committee members. Basically, the bill provides:

a. It allows the county to raise the occupancy tax by 1 percent.

b. If the county raises the occupancy tax, then the monies raised by the extra 1 percent are allocated to the Flat Rock Playhouse for a period of two years (until July 1, 2014)

c. A new Travel & Tourism Development Authority is established, replacing the current Travel & Tourism Committee.

d. The new board for this authority is appointed as follows: 3 by the county commission, 3 by the City of Hendersonville, 1 by Flat Rock, 1 by Fletcher, and 1 by the county upon recommendation of the Chamber of Commerce.

If you have any questions about the bill, please contact either Tom or me.

Chuck

Sent from my iPad
From: Doris Leissing [drsambnc@bellsouth.net]
Sent: Wednesday, July 04, 2012 1:25 PM
To: Larry Young; J. Michael Edney; Charlie Messer; Bill O'Connor; Tommy Thompson;
chuckmcgrady@ncleg.net
Subject: The Flat Rock Playhouse debate

Dear Gentlemen,

Please acknowledge receipt of the above attachment.

And please carefully re-consider your actions.

Thank you.

Doris Leissing

PS: This letter is also being sent to the Hendersonville Times News

Henderson County Commissioners
Mike Edney
Charles Messer
Bill O'Connor
Tommy Thompson
Larry Young
Senator Tom Apodaca
Rep. Chuck McGrady
Hendersonville Times News

RE: Tax Increase for the benefit of Flat Rock Playhouse

I must write to express my strong opposition to the proposed tax increase in order to subsidize the Flat Rock Playhouse (FRP). I also speak for many in our area, who have growing concerns about this.

First, my disclaimer: This is not an opposition to FRP itself. I attend shows at both venues frequently and take guests and family members when possible. I love FRP. My grandchildren have taken classes through YouTheatre.

However, I believe that appropriating tax dollars for FRP sets a very dangerous precedent.

1. Lines between what government is legitimately authorized to levy tax for, and what it is not, are further blurred by this unprecedented move.

2. Anytime government gets involved in subsidizing art, in any way, it inevitably begins to leave a political imprint on artistic choices. The short-run elation of FRPH Board of Trustees might give way to a dilemma when it finds itself embroiled in defining "artistic freedom".

3. Bill McKibbon, President of FRP Board of Trustees is quoted in the Hendersonville Times News (7-4-12) as saying he did not yet know how the money would be spent. Are we to understand that this huge appropriation of funds is going to be handed to an organization that does not yet have a budget, and cannot show what the taxpayers are buying? Are we really bailing out debt? Are we opening another venue? Are we hiring more administrative staff? Are we giving the actors a raise? Why does FRP NEED tax money?

4. Commissioner Young asserts that, after reviewing the financial records of FRP, there is evidence of mismanagement. If that is true, the taxpayers who are being asked to agree to this tax increase
need to know to what extent that is/ or was a problem, and the Board of Trustees need to tell us how they plan to remedy this problem.

5. Senator Apodaca owns a travel company and has personal interest in promoting tourism in our area. Having been a resident here for nearly 35 years, I can heartily join him in enthusiasm for our beautiful county. However, I believe that touting FRPH as a draw for tourism is unsubstantiated. There are many fine theatres available in surrounding cities... Peace Center in Greenville, others in Charlotte, Asheville, and even Atlanta. People who come to WNC area come for the mountains, and stop by FRPH. Not the other way around.

6. In past years, it was often hard to get choice seats and it was not uncommon for the plays to be held over, with delighted fans returning to bring their friends to second or third showings. Now, when I attend the plays, there are often as many as ¼ to 1/3 of the seats empty. I believe that leadership changes at FRPH have resulted in a change in the face and culture of FRPH and the local patrons are no longer valued as they were in the past, therefore they are no longer the stable revenue base. Now, many of the actors are brought in from NYC. They are no longer those familiar stars that have been major drawing cards for local fans. We can no longer count on the plays being suitable for families. The “adult content” choices de-select many patrons who would have never had to consult a review before buying tickets. FRPH was founded for our area. Not for our tourists. And I believe we have it now topsy-turvy and are paying the price for it.

To sum it up: I believe this tax is not justified. Not that it is exorbitant. But that it changes a vital precedent in NC taxation, and opens the door for other such taxes without restraint. I also believe that handing such a hefty sum of money to a Board of Trustees who has not even submitted a budget is irresponsible. Accountability is the first rule of legitimate government. A handshake and a smile between two nice gentlemen is no longer enough. I am surprised that our own Commissioners and Senator Apodaca, whom I generally hold in some esteem, would agree to such an unwise direction at this time in our national, state, and local tax debate. Over-reaching because you can is a poor substitute for wisdom. Senator Apodaca brags that he has helped NC government live within its means. That same standard should be held for FRP.

Finally: If Flat Rock Playhouse wishes to turn the tide on attendance and revenue, it should do a serious re-evaluation of original purpose. It should offer family-friendly shows, with actors who are loved, appreciated, and supported by local people. It should not over-reach in ambition without having the base to support new projects. And it should NOT ask for government handouts... because when the government, through taxing, steps in to rescue the arts, the patrons no longer feel ownership. And once government steps in, it never voluntarily steps back out.

Give us back our theatre.

Then you won’t need a tax, because local people who love FRP will help pull it through.

Yours Respectfully,
Doris Leissing
Flat Rock, NC
drsambnc@bellsouth.net
From: J. Michael Edney  
Sent: Wednesday, July 04, 2012 11:38 PM  
To: Tommy Thompson; Steve Wyatt; Charlie Messer; Larry Young  
Cc: Chuck McGrady <chuckmcgrady@bellsouth.net> (chuckmcgrady@bellsouth.net)  
Subject: FW: The Flat Rock Playhouse Reply  

Ms. Leissing,  

I received a copy of the letter you wrote to the county, our state legislators and the Times News. I was disturbed by the letter, not because you oppose the tax (reasonable people can disagree about funding), but because as a FRP patron you have so much factually incorrect information on which you are basing your opposition. It is useless to debate perception. All I can do is provide the factual information to answer some of the criticisms in your letter and I would ask that you at least evaluate what I am saying based on the merits. Nothing of what I am about to explain is based on opinion. I am happy to provide the factual documentation for all of it. I would ask that you consider writing a retraction based on this data.  

Please bear with me as I address your six points:  

1. You first point is just factually incorrect. None of this is unprecedented and it breaks no new ground. In fact, it is common for tourism related taxes to fund tourism entities in this country. It happens everywhere and a few minutes spent on the web will reveal the myriad of non-profit and for-profit institutions funded by tourism taxes, rental car taxes, and taxes on tobacco and liquor. In addition, this county (and all counties), regularly collects tax revenue that is then appropriated to a third-party to handle specific initiatives the county feels are important. There are countless examples of this. Later in your letter you mention the Peace Center. Are you aware that the Peace center received a 1.25 million dollar county grant from the hotel and motel tax in Greenville?  

2. Let me state clearly that if government does not fund art in the US, the majority of the existing art institutions, including virtually every major symphony in the county will cease to exist. Government funding is a part of literally EVERY major performing arts organization in the United States. If you doubt this, take a look at www.tcg.org (http://www.tcg.org) and look at their Theater Facts survey from 2010. You will shocked to see the kind of support theaters are getting from all levels of government. It is exactly the way these non-profits were set-up to function. You can debate the merits of that if you want, but you would need to change the funding for every major performing arts non-profit in the country. Again, you can look no further than the Peace Center which received 1.25 million from the county and 6 million from the State. FRP has not received 6 million dollars from the state of NC in its entire 60-year history!  

3. Bill's comments are being taken out of context. What he was saying was that we have not earmarked the funds for specific initiatives because, even under the best of circumstances, we would not receive those funds until October/November of 2012. We know that the funds are going to be utilized to continue the advances we have made on a regional and national level to attract people to FRP and to Henderson County. He was saying that we have not yet earmarked them for specific marketing costs because we will be working closely with neighboring organizations to achieve mutual goals. I also think you are over-emphasizing the size of this new income stream to us. It is only about 5% of our total income for the year. It will increase our marketing budget substantially though, which will have wide-ranging benefits that extend way beyond FRP. It will also help us realize the potential of
the investments we have made over the past few years that were and are intended to foster steady and measurable growth.

4. Mr. Young needs to be very careful about accusing the Playhouse of mismanagement. This is blatantly false and is boarding on liable. Considering the fine citizens who make up the Board of Trustees, it is very troubling, and I can tell you they are not happy about it. Flat Rock Playhouse did have a horrendous year in 2010, as did virtually every tourism related entity in the region. We invested major dollars in capital costs literally months before the bottom fell out of the local economy. It was a nightmare scenario for us and so many other non-profit theaters, many of which were forced to close. It is universally unfair to take a one or two year snapshot of an organization, during the most difficult economic climate in the last fifty years, and use that as the benchmark to determine funding. Let me give you one example. To show how bizarre Mr. Young's assertions are, I believe it was in FY 2008 when Travel and Tourism ran a $208,000 year-end deficit. As you probably know Mr. Young was prominently involved in that organization (Chair). That shortfall represented about 28% of their annual budget that year and that was during a comparatively strong economic period for the county. According the the meeting minutes at that time, the county appropriated the funds to cover the shortfall. We don't have that luxury. I'm sure there were extenuating circumstances at work. The tourism organization specifically noted Capital Costs, New Vehicle Purchases and Increased Advertising Costs. These are all probably very legitimate and FRP supported Travel and Tourism through that difficult period. We continue to support them today. Ironically, the FRP financial statement that Mr. Young is referring to in 2010 (2009 actually showed a small year-end profit) shows... you guessed it... a 28% deficit. It is strange that he would take this approach and it all seems more than a little bit hypocritical. All of this conversation is a distraction... nothing more. We had a tough time in 2010. We did 1 million dollars better in 2011. We'll do even better in 2012 and this tax revenue will enable us to reach some critical strategic goals.

5. Your information here is just not supported by the facts. We have approximately 60,000 patrons that attend the shows every year that are from outside the county. Further, approximately 50% of those people experience Henderson County SPECIFICALLY BECAUSE they want to see a show at FRP. That is 30,000 people a year who translates into millions of dollars of economic impact. This is not conjecture, it is fact based on zip code analysis and a scientifically significant economic impact study. The other organizations you mention are wonderful but they are not part of our competitive landscape. We work in symbiosis with the rest of the community. We are fortunate to attract many people who are brought here to enjoy many of the wonderful opportunities the county has to offer and we return the favor many times over. If you know of any other non-profit organization in the county that regularly brings in thousands of people every week, I would suggest that they fight for funding as well!

6. You are correct in assuming that there were less empty seats in the past, but you failed to mention that we have substantially more programming than we ever had before. It takes time to cultivate new audiences and that is one of the reasons this tourism tax is so exciting. It gives us the opportunity to grow the audience. We have already spent our own money to grow capacity. 2011 was the highest attended season in the theater's history. Expansion and growth are not easy... but they are necessary if we want to be here for future generations.

Your comments about New York actors are just hard to understand as the person that signs all of the actor's contracts. We have always, since the theater's inception 60-years ago brought in actors from New York. However, we now have more local
people involved in the shows than we ever have before because of the second space. We are employing a ton of local actors and directors AND in this single season alone, the stage is dominated by alumni. It's one of our biggest alumni seasons ever:

- Scott Treadway - 5 shows
- Linda Edwards, Barbara Bradshaw, Peter Tomlinson, Damian Duke Domingue, Andrew Livingston, Ralph Redpath, Michael McCauley, Stephen Ware, Marcy McGuigan, Preston Dyar... the list goes on and on. In fact, more than half of the performers in our season are returning actors!

Finally... your comments about plays being suitable for families is something that needs to be addressed. This year alone, we have 23 shows that are appropriate for families. There are only three shows in the entire season that are geared more for adults that prefer serious, realistic drama. This theater has, throughout it's sixty year history, always done some shows that were more suitable for adults. Examples before my arrival include: Art, Who's Afraid of Virginia Wolf, Cat on a Hot Tin Roof, Forum, Rocky Horror, Rent, A Few Good Men, Prisoner of Second Avenue, The Odd Couple - there are just so many.

There are no precedents being changed here in NC and it doesn't open any doors to anything. The law is very narrowly written and sunsets after only two years so the changes can be evaluated. Our budget is not a secret and is available for anyone to see at any time (minus confidential personnel info). There are no handshakes or smiles here. We have made a legitimate, hard-fought case for funding like so many other similar organizations across the country. I take it personally when I hear people say that the incredibly dedicated business people in this community who have given their time, treasure and reputations to this theater are not acting responsibly. It is the height of irresponsibility that one of our elected leaders would suggest otherwise while ignoring all of the facts.

If the government abandons its obligation to FRP and to the other arts and culture organizations in this state, they will disappear. If the state symphony loses millions of dollars, if the city, county, state and federal governments stop funding entities like Triad Stage, Lost Colony, NC Stage, NC Shakespeare, The Blumenthal Center, etc. - Our state will lose literally hundreds and millions of dollars of economic impact.

I don't know if I've changed your mind, but I would certainly like to hear back from you about my comments as they pertain to your assertions. If you would like to talk in-person, my door is always open to you. We need to fight to get the right information out there about our theater and I hope you will seriously consider a retraction.

Sincerely,

Vincent Marini - Producing Artistic Director The State Theatre of North Carolina
Flat Rock Playhouse
w: 828.693.0403 x202
m: 609.584.0187
vincent@flatrockplayhouse.org<mailto:vincent@flatrockplayhouse.org>
From: Doris Leissing <drsambc@bellsouth.net><mailto:drsambc@bellsouth.net>>
Date: July 4, 2012 1:25:32 PM EDT
To: <lyoung@hendersoncountync.org><mailto:lyoung@hendersoncountync.org>>,  
<jmedney@hendersoncountync.org><mailto:jmedney@hendersoncountync.org>>, 
<cMESSER@hendersoncountync.org><mailto:cmesser@hendersoncountync.org>>, 
<bill.oconnor@hendersoncountync.org><mailto:bill.oconnor@hendersoncountync.org>>, 
<tthompson@hendersoncountync.org><mailto:tthompson@hendersoncountync.org>>, 
<chuckmcgrady@ncleg.net><mailto:chuckmcgrady@ncleg.net>>
Subject: The Flat Rock Playhouse debate

Dear Gentlemen,

Please acknowledge receipt of the above attachment.

And please carefully re-consider your actions.

Thank you.

Doris Leissing

PS: This letter is also being sent to the Hendersonville Times News
<I must write to express my strong opposition to the proposed tax increase in order to subsidize the Flat Rock Playhouse.docx>
From: Preston Dyar [preston@flatrockplayhouse.org]
Sent: Wednesday, July 11, 2012 10:55 AM
To: Tommy Thompson
Subject: Hotel Tax

Dear Commissioner Thompson,

Good afternoon. I am writing to thank you for your support of Flat Rock Playhouse in the past and to urge you to vote in favor of the Hotel Tax Dollars being allotted to this place.

I am an actor and a full time staff member of the Playhouse, so of course I urge you to vote in favor of its passing, but I would like to explain my personal reasons for this.

I grew up in an area that at the time had very little support for the arts—both financially and interest-wise. To those of us hungry for this art form (and later vocation/career), any outlet for this meant the world. Not being an athlete (which WAS celebrated in the area) or a scholar, I sincerely believe I would have fallen through the cracks, so to speak, were it not for the small “rafts” I could find that would allow me to continue to learn and work.

As the years progressed, I did become a professional and have been in “The Business” for close to forty years.

I left New York City and came down to North Carolina to be a Resident Actor and full time Senior Staff Member with Flat Rock Playhouse after three years of coming back and forth working solely as an actor. I made this decision based not only on a real love of being a working actor, but because of what I saw within this organization. Namely, a brilliant regional theatre with laudable and inspiring productions, but also an inspiring educational organization.

To be able to touch lives and shape them for the better as they become interested in this field – while still being a working professional is a matchless gift and I have Flat Rock Playhouse to thank for giving me this home.

I would be sad to see FRP dilute—or at worst, disappear, if funding that helps us become as self-sustainable as possible in a non-for-profit world dries up.

As a new resident of Hendersonville—and one who will proudly be a local voter, I ask you to please show your support in favor of this proposal.

With sincere gratitude,

Preston Dyar
From: Lynn Penny [lynn@flatrockplayhouse.org]
Sent: Thursday, July 12, 2012 11:22 AM
To: Tommy Thompson
Subject: Thank you!

Dear Mr. Thompson -
I just wanted to to thank you - so much - for meeting with me Tuesday afternoon. I really appreciated your time - and as I said - I know you are in such a precarious position with so many folks beating down your door... what I most appreciated was the opportunity to talk openly and honestly.
You are a gem - and such an asset to Henderson County. Thank you for all you do, and for putting up with all the chaos that goes along with it!
I wanted to extend an invitation to you and your wife, anytime on Monday or Tuesday between 9:30 and 4, to come over for a behind the scenes tour of our Playhouse world. We will have camps in full swing at our education facility, and Tuesday will have a full day of rehearsals for Guys and Dolls. It would be my pleasure and honor to show you around, and give you a peek at a few of the things going on. As I mentioned to you - next week we are hosting 14 rising 4th, 5th and 6th graders from the Boys and Girls Club for a full camp week. Tuesday at 10am, we have a guest artist, Billy Jonas (nationally acclaimed children's musician) here for a workshop with the kids - focusing on rhythm, percussion, and the use of recycled objects in music - he's amazing!
Let me know if you have the time -
Thank you again -
all my best ~

Lynn

Lynn Llewelyn Penny
Director of Development
Director of YouTheatre Outreach
Flat Rock Playhouse
828-693-0403, ext. 221
lynn@flatrockplayhouse.org
From: Vincent Marini [vincent@flatrockplayhouse.org]  
Sent: Monday, July 16, 2012 8:56 AM  
To: J. Michael Edney; Larry Young; Tommy Thompson; Charlie Messer; Bill O’Connor  
Subject: Flat Rock Playhouse's position on Tourism Tax

Getting back to the issue at hand:

Dear Commissioners,

Knowing that it is likely that the issue of the Tourism Tax will be discussed on Wednesday, I wanted to take a moment and clearly define for you our position on this issue. We have attempted to take the high road over the last few weeks as we have been attacked over and over again by a small number of individuals who have unfortunately misrepresented the Playhouse position, distorted the facts, and played to long-time divisions in our community. Reasonable people can disagree about policy but the way these few individuals have attacked the Playhouse, its board and its staff is really unfortunate. At this point, those who are "against" the tourism tax concept probably don’t have a clear idea why we are even seeking the funds.

First… to clarify a few key points:

1. If the Playhouse receives the funds from the tourism tax, it will be leveraged as part of our marketing budget for the year. We will more than match the money coming from the tourism tax and we will leverage those funds to accomplish the key goals I will lay out below. This is different than the 100k appropriation from the county. We will, as will every non-profit in the community who was granted funds, use those funds in accordance with the rules governing their use by the county. For us the 100k will be part of our General Operating expenses for the new downtown theater which I explained in our initial proposal to the county. That money has already been included in our plans and is earmarked to deal with specific expenses in our budget. If we receive the tourism tax revenue, we will obviously not return to the county with an additional request as part of the overall county budget in 2013, but these two issues are completely separate for us.

2. The Playhouse DID run a deficit in 2010 and 2011. Then again, so did most arts organizations in the country. It is true that the recession played havoc on our numbers in 2010, reducing attendance by close to 15,000 people at the same time we were making major capital investments so it was a very, very rough year. We ran a deficit equal to 28% of our budget and it was a struggle for the staff and board. However, we worked hard, made some strategy changes, and rebounded in 2011. We got all of those patrons (and more) back that we lost the previous year. 2011 was the highest attended season in Playhouse history and our 990s when complete, will reflect a substantial improvement from 2010. We hope to have a profitable year for the first time in three years in 2012. While no one knows what the rest of the season is going to bring, we are currently on budget as of June 30, 2012, and we are going to work tirelessly to have a financially successful season. I am happy to share those specific numbers with you at any time and we would welcome input and suggestions about how to continue to emerge from the challenging environment we were operating in over the last few years. By the end of August we expect to be in the "black" for the year and then the numbers for the fall leaf season will likely determine the final outcome of the 2012 season.

3. There were ridiculous accusations made in the newspaper that we were seeking funds to repay board loans that appeared on our 2010 990s. Again, that is factually incorrect information. Those loans were repaid in full during March of 2011. That said, it is not unusual for board members to make short term loans (for various) reasons to the Playhouse. This is not a negative. It shows that
we have the kind of board that is willing to step up and assist the organization when it has an
opportunity or a need. For example, the board helped us successfully pay down a large credit line
this year. Other board members helped fund the construction of the downtown space. What this has
to do with the tourism tax, I have no idea except to show we have a board that will step-up when
needed.

4. The Playhouse does not do vulgar shows. Do we really want to get into a discussion about
Playhouse programming? For what purpose? We programmed 28 shows this year. It would be hard
to classify any less than 24 of them as family-friendly. The other four are geared for people that like
serious, modern drama and comedy. None of them are vulgar. It’s all just a silly distraction and
again, has no basis in fact.

Now to the tax money which is what this whole conversation should be about. Isn’t the real question
here simple, "Will giving Flat Rock Playhouse 22 months to prove what it can do with a small
percentage tourism tax dollars be a net positive or a net negative to the county when weighed
against whatever potential ill-effects the 1% rise will have on county lodging entities."

We believe the answer is yes, and this is why:

The Playhouse has spent its own money to expand in recent years. We now have the capacity to
handle as many as 170,000 patrons. We already have 40,000 ticket purchases annually from
Henderson County. That is an extraordinary percentage of the population for any entity and is
unmatched among non-profits in the county. Our opportunity for substantive growth lies not with
county residents, but with tourists. Regardless of what happens with this tourism tax, our only
viable strategy for growth and sustainability is to entice a substantial number of high-value,
relatively affluent tourists to attend our shows. That is our strategy for the next three years. We
already bring in 60,000 individuals from outside the county each year but for us to flourish in the
long term, we need to bring that number to closer to 100,000. The only way to do that is to
market... not just the shows on our stages, but the "experience" of coming to Henderson County. It
becomes less about "come see a show at FRP" and more about "come experience Henderson
County and see two shows while you are here." This is a MAJOR strategic shift for us and it will
require substantial resources to be successful. Here is how we plan to do it:

a. Develop and lead a consortium of tourism assets from Henderson County that give us a presence
at key tourism conventions in the region where we are marketing Henderson County as a
destination: Currently the Playhouse attends close to a dozen regional and national tourism
conventions with AAA, the American Bus Association, and many others. When we attend these
conventions, we are there alone. There is no presence from Henderson County. We need to change
that and we need to jointly fund bringing the key decision makers here to Henderson County to see
what we have to offer. We already do this with AAA and many others but we need to increase our
efforts ten-fold and we need to lead other organizations to join us. This has already been discussed
with Beth at T&T and we are in the process of bringing together key decision makers in the county
as we speak.

b. Create long-term partnerships between tourism assets in Henderson County that allows shared
bookings: If someone calls the Playhouse, they should be able to not only purchase tickets to a
show, but get a reservation at a restaurant, book a stay in a hotel or inn, and find out about Music on
Main, Carl Sandburg or DuPont State Forest. Currently there is NOTHING like this. It seems like a
pipe-dream but in reality it is simply a matter of leadership and funding. The Playhouse wants to
pursue a strategy of integration and cooperation between tourism assets that creates cooperative
ticket and reservation outlets throughout the county. We can begin this work now and both FRP and Travel and Tourism can be conduits through which much of this information flows. We have a MAJOR ADVANTAGE HERE. We already have a phone bank that is manned 60-80 hours a week by six employees. Who else has this kind of one-stop-show opportunity to leverage? We also have a MAJOR retail partner on-board for this who has literally a hundred stores within a 100 mile radius of Flat Rock Playhouse.

c. We are going to create a full-time PR and Tourism position that specifically focuses on regional and national media coverage for not only Flat Rock Playhouse, but for all of the tourism assets in the county. This employee is going to be charged with regular interface with Travel and Tourism and will insure increasing cooperation with all motivated county tourism resources. Currently our PR department is locally focused. That focus is going to expand exponentially and we hope to create a situation where Travel and Tourism can spend less of its resources on national ads because as a county we are receiving more media coverage in those same publications.

d. We are going to launch a social-networking media campaign focusing on all there is to do in Henderson County. While this will obviously feature FRP, we plan on co-featuring various other tourism assets on a regular basis and we will be working to integrate Playhouse Facebook and Twitter followers with the followers of all other Henderson County tourism entities (including Travel and Tourism) to build a large universal database of web users who are receiving special offers and packages on a weekly basis.

e. The Playhouse is going to leverage its existing programming by supporting extended runs in noncompetitive venues outside the state with the goal of enticing theater and music lovers from those areas to visit Henderson County. The Playhouse is currently exploring two different key partnerships in other states that would allow the Playhouse to showcase the theater and the county by bringing programming to their populations. The potential impact of these partnerships is incredible because both opportunities are in major tourist markets.

f. The Playhouse website gets 14,000 hits per month. We are going to design new systems into the website that allow for "See a show and..." functionality. The "and" could be "visit a museum," "attend a festival," "book a hotel," "visit a national park" and a host of other "and" options in Henderson County. That means that hundreds of thousands of visitors to our website every year are going to be exposed to what Henderson County has to offer.

g. Our greatest asset is our 100,000 patrons. It seems to me that other tourism entities in this county, as well as lodging, retail and restaurant outlets would want an opportunity to reach our audience. We are suggesting that with the proper funding and cooperation, we can not only selectively permit this access, but encourage it to the benefit of those patrons. Giving patrons more opportunities to round-out their visit in the county is ALWAYS a good idea.

This is just the tip of the iceberg. There is so much potential here. We have to begin to do it anyway for our own long-term survival but we can be orders of magnitude more successful if we can leverage some limited county funding with our own marketing expenditures.

Can we do it... well... let's look at the facts:

1. There has been a discussion about an arts venue of Main Street for 30 years. There have been countless studies and debates. We seized an opportunity, put together a consortium of funding, and
completed planning and construction in less than 6 months. That venue will bring in 20,000-30,000 people in this, its first year of existence.

2. The Playhouse needed to grow its education capacity. We set-out on a campaign to construct one of the best youth education facilities in the country and not only did we build the building, we created programming that makes our education program a model among non-profit theaters in the United States.

3. The Playhouse needed a way to reach a younger audience at an affordable price. We created, in a 3-month period, the Music on the Rock Series, which is now sold-out virtually every performance and will welcome in excess of 10,000 patrons this year.

We know how to get things done. We work quickly, creatively, and efficiently. All of these initiatives will take time, money and manpower and they won't happen overnight. But they can happen...

With the right funding, we can help lead a transformation in tourism in this county. We are not asking for a hand-out, we are asking for an investment in the future of our tourism economy. I'm sorry, but a dollar or two per room night for 22 months seems like a reasonable investment to see if we can accomplish a new level of cooperation and integration among tourism assets in this county. If we are not living up to our stated mission, the commissioners can always reverse the decision. All we are looking for is a chance to prove what we can do. We've sold close to a million tickets over the last decade. We have a long track record of successfully reaching out to new audiences.

Brush aside all the noise, the false accusations and distractions. We've convinced many of our donors we have an achievable vision for the future. We've convinced our state legislators and they have truly stepped to the plate to help Henderson County and FRP. Now... we need you to do what is best for this county and make the tough decision. The Peace Center in Greenville received 1.3 million dollars from the Hotel Tax and I think everyone in that city would say that the investment was a success.

One of you said to me recently, "What we need in this county is for our non-profit organizations to think outside the box and develop new ways of generating revenue and reaching customers." Well... this is an opportunity to do that and much, much more.

We appreciate your consideration. We understand the challenge that this has presented to each of you, and we appreciate the opportunity to provide you with our position on this critical issue.

Sincerely,

Vincent Marini - Producing Artistic Director
The State Theatre of North Carolina
Flat Rock Playhouse
w: 828.693.0403 x202
m: 609.504.0187
vincent@flatrockplayhouse.org
From: Kaye Caldwell [Kaye@KayeCaldwell.com]
Sent: Tuesday, July 17, 2012 4:33 PM
To: Tommy Thompson; J. Michael Edney; Charlie Messer; Bill O'Connor; Larry Young
Subject: Letter regarding Proposed Occupancy Tax Increase and TDA members appointments

is attached. Thank you for your attention to this matter.
- Kaye Caldwell
To: Henderson County Commissioners  
From: Kaye Caldwell  
Date: July 17, 2012  
Re: Occupancy Tax Increase and TDA membership

I am writing to urge you to NOT increase the occupancy tax. With the new tax Henderson County’s tax rate would be 50% higher than Buncombe County and 100% higher than Polk County. It should be noted that the county has raised occupancy tax by 67% since 2006. One would expect a significant increase in room occupancy due to such a significant increase in tourism efforts. On the contrary, room occupancy had actually decreased 14% in that time1. How much of a additional decline will be caused by the proposed additional tax?

The commissioners have available to them a group of people experienced in tourists’ visiting habits, interests, and price sensitivity. This group owns businesses for which 100% of their customers are visiting tourists. This group of experts has not been consulted by the commissioners, in spite of their unique expertise in the matter of tourism. Who are they? The county’s lodging business owners. Because we talk to visiting tourists and prospective visiting tourists every day, we know them better than any other segment of Henderson County merchants or entertainment providers. We do not need to do zip code analysis with possibly flawed assumptions to determine whether our customers have come from out of the area. We know they have because they are either staying overnight or planning to. It is essential that the commissioners confer with this group before imposing a harmful tax increase that may have little if any benefit to tourism in the county.

Here’s what the county commissioners could find out if they conferred with the county’s lodging business owners:
- That the effect is of non-completive occupancy tax rates (as compared to adjacent counties) is lost reservations, particularly lost multi-unit, multi-day reservations.
- That lodging businesses are seeing a decline of interest in Flat Rock Playhouse tickets.
- That there is a lack of co-operation between Flat Rock Playhouse and lodging businesses in some cases.
- That advertising in Flat Rock Playhouse playbills fails to attract guests to lodging businesses, indicating a scarcity of Playhouse attendees interested in overnight stays.
- What it actually costs in advertising and promotion for a lodging business to attract overnight guests. This could be compared to the proposed costs for the Flat Rock Playhouse to attract some speculative and unproven number of new tourists, who may or may not stay overnight.

The commissioners should also question:

---

1 From the Travel and Tourism Committee’s Room Tax Revenues chart, showing fiscal year 06-07 rooms rented of 287,986 when the tax was 5%, and fiscal year 10-11 rooms rented of 246,898 at the tax rate of 5%.
• Whether this tax increase will negatively impact lodging businesses, particularly those outside the cities of Hendersonville and Flat Rock.
• Whether this tax increase will provide any positive effect on lodging businesses. Will it increase bookings during slow times, such as winter months or midweek? Or will the tax increase merely add to the decline in bookings?
• Whether the Flat Rock Playhouse’s downtown location is good for tourist businesses downtown, especially in light of two downtown restaurant closures since the downtown theater opened.
• What exactly the impact on overnight tourism is from the Flat Rock Playhouse—does their zip code analysis show how far theater attendees come to attend a show? Just saying they are from out of town is not relevant, what is relevant is whether they are from far enough to stay overnight. How may of the out of town attendees arrive by bus and leave without staying overnight?
• How has the Flat Rock Playhouse worked with local lodging business owners in the past and how will this be improved in order to provide the expected tourism increase.
• Exactly how much should the county expect tourism to increase as a result of this expenditure?
• How will the effect on tourism be measured?

I strongly urge the commissioners to hold a workshop with lodging business owners to discuss this tax increase before moving forward with the increase. I understand that the Flat Rock Playhouse has raised significant amounts of funding from Henderson County, Hendersonville, and Flat Rock, and has just undertaken a $240,000 fund raising effort. Surely the Flat Rock Playhouse can withstand a delay in imposing a controversial tax on tourists in order to determine the likely effects of such a tax.

Further study is particularly important in light of the statements made at the May 29th commissioners meeting discussion on this matter:
• One commissioner stated that our occupancy tax rates are the same as Buncombe County. However Buncombe County’s web site\(^2\) says that their occupancy tax rate is 4% (and 0% for some), which is less than Henderson County’s current rate. With the new rate Henderson County would be 50% higher than Buncombe.
• Another commissioner stated that he did not mind paying 6% on a recent trip. However that commissioner’s profession (lawyer) is the 6\(^{th}\) highest paid profession according to the U.S. Department of Labor. In contrast, our guests are from much less well paid professions. They are typically teachers, firemen, nurses, law enforcement officers, pastors, retired persons, and other with similar income levels. Quite of few of our guests are active duty military on leave from war zones. The commissioner’s reaction to the tax is not representative of the reaction of our prospective guests.

\(^2\) http://www.buncombecounty.org/governing/depts/administration/finance/OccupancyTax.aspx
If the commissioners feel that they must increase the tax now, I would request that they enact a six month sunset date for the tax increase. At that time the effects should be evaluated to see whether the tax increase should be continued. Furthermore, the reporting imposed by state law is inadequate. In addition to reporting tax receipts and expenditures from those receipts, Flat Rock Playhouse should be required to report what results were received from those expenditures. Also they should report what they expect to expend funds on in the next quarter and what results they expect.

Please also consider whether some measures could be taken to alleviate the negative effects on lodging business owners, such as providing a property tax credit or business property tax credit to compensate lodging owners for lost reservations and increased advertising and promotion costs. I note that our lodging businesses pay these taxes – while the Flat Rock Playhouse is exempt. In addition, ask the Flat Rock Playhouse to provide free or significantly discounted theater tickets to lodging business owners that we could sell to our guests. In addition to offsetting the lost income and increased costs for lodging owners, this would be a good indication of actual interest in theater attendance from overnight tourists.

I am sure that if the commissioners held the above requested workshop other suggestions would be made that could alleviate the negative effects on lodging businesses from this tax increase.

Regarding the appointment of members to the Tourism Development Authority I would urge that the following principles be adhered to:

1) In order to avoid the appearance of a conflict of interest, no member of the Authority should be affiliated with an entity that receives funds from the occupancy tax. One would hope this goes without saying.
2) Members collecting the tax (lodging business owners) should be as equally represented as members spending the tax (promoters of travel and tourism). This can be done within the constraints set by the law. Since all lodging business owners are, by the nature of their business, active in the promotion of travel and tourism in Henderson County, the Commissioners can appoint 5 members that are affiliated with businesses that collect the Occupancy tax (and therefore also promote travel and tourism). The remaining 4 members can be members that only promote travel and tourism, but do not necessarily collect the tax. Technically, if all 9 members were affiliated with businesses that collect the tax, the requirement for half of the members to be affiliated with businesses that promote travel and tourism would also be met.

In summary, I ask you to adhere to certain principles when appointing the members of Tourism Development Authority, and to reject this proposed tax increase, at least until further study is done. If you do impose the tax increase I urge you to enact measures that limit its negative effects on lodging businesses.
From: Terry Wilson
Sent: Friday, July 20, 2012 9:55 AM
To: Steve Wyatt; David Whitson; Bill O'Connor; Charlie Messer; J. Michael Edney; Larry Young; Tommy Thompson
Subject: FW: FRP download info

Gentlemen,
Mr. Steve Carlisle sent the following website for Larry Young...I’ve shared it with all of you.

http://www.tcg.org/tools/fact/

Terry Wilson, NCCCC
Clerk to the Board of Commissioners
Henderson County Governing Body
1 Historic Courthouse Square, Suite 1
Hendersonville, NC 28792
828-697-4808 (phone)
828-692-9855 (fax)
twilson@hendersoncountync.org

"All e-mail correspondence to and from this address is subject to the North Carolina Public Records Law, which may result in monitoring and disclosure to third parties."

From: Steve Carlisle [mailto:carlisle@email.wcu.edu]
Sent: Friday, July 20, 2012 9:53 AM
To: Terry Wilson
Subject: FRP download info

http://www.tcg.org/tools/facts/

The downloadable PDF file for 2010.
Thank you.
Steve

Steve Carlisle
Associate Dean Honors College
102 IHC Balsam Hall
Western Carolina University
828-227-3276
I'm a longtime supporter of the playhouse. Its contribution to the community is enormous. However, it was the BOARD of the playhouse who ousted the team there at the playhouse (who had been running it without Farquar) in the black. They then hired a young man to New York-ify everything and make it how THEY wanted it to be. I blame the playhouse BOARD even more than Marini. Don't penalize the hotels, please. ---Sherry Austin, Flat Rock.
From: Terry Wilson
Sent: Tuesday, July 24, 2012 3:35 PM
To: Bob Williford
Cc: Russ Burrell; Steve Wyatt; Bill O'Connor; Charlie Messer; J. Michael Edney; Larry Young; Tommy Thompson
Subject: Henderson Tourism Development Authority

Mr. Williford,

Effective September 1, 2012, legislation requires the establishment of a Henderson Tourism Development Authority, in place of the previous Travel & Tourism Committee. Position #9 requires a nominee by the Chamber must recommend and the Board of Commissioners BOC must appoint. This position also requires that the individual must be active in promotion of Travel & Tourism in Henderson County. Please find attached an application for Chambers nominee to complete and return as soon as possible to my attention. Please do not hesitate to contact me if you have any questions.

Terry Wilson, NCCC
Clerk to the Board of Commissioners
Henderson County Governing Body
1 Historic Courthouse Square, Suite 1
Hendersonville, NC 28792
828-697-4808 (phone)
828-692-9855 (fax)
twilson@hendersoncountync.org

"All e-mail correspondence to and from this address is subject to the North Carolina Public Records Law, which may result in monitoring and disclosure to third parties."
From: Kaye Caldwell [Kaye@ClearCreekCabins.com]
Sent: Wednesday, July 25, 2012 4:44 PM
To: Terry Wilson
Cc: Tommy Thompson
Subject: Clarification needed

Terry,

Several people have indicated to me that they think the letter from Commissioner Thompson (regarding the 8/8 forum) states that only one person will be allowed to speak in the "B. Accommodations Businesses" section of the agenda. I think it means that all interested accommodations businesses will be able to speak (but only one person from each business), so long as they have signed up with you by the deadline. I have been asked to get clarification on this point.

Also I see that there is no item on the agenda for a vote on the tax increase, I assume this means that a vote will not be taken at this forum special meeting. Could you confirm that this assumption is correct?

Thank you,
- Kaye Caldwell
606-1977 (cell)

---

Kaye Caldwell
Clear Creek Cabins
877-715-2783
Mr. Thompson:

Please vote against this request. Flatrock Playhouse is in financial trouble because of poor management. They had no plan on how to use the money they are requesting until you forced them to create one. The director ran off all the good actors. The plays he puts on are nothing but junk. I have left early twice this season due to poor plays and poor acting. He would like you to think that Flatrock Playhouse attracts visitors to Henderson County; that's absurd. I'm quite sure that as soon as he has lined his carpetbag, he will be out of here. All we'll have to show for it is the bill.

Tom Reddin
Mills River, NC
From: Jack Grup [jgrup@hlinn.com]  
Sent: Sunday, July 29, 2012 5:43 PM  
To: 'Vincent Marini'; Bill McKibbin; Tommy Thompson; Bill O'Connor; J. Michael Edney; Charlie Messer; Larry Young  
Cc: Kaye Caldwell; Anne Coletta; Beth Carden (bcarden@historichendersonville.org)  
Subject: Revised: Proposed County Lodging Occupancy Tax Increase

All,

I misspoke when I said this in the letter.... “Mr. Marini has stated he believes we may not have best spent the current 5% tax via Travel and Tourism leadership...”

I have restated this more clearly in the revised letter below. I more accurately say, “In his Tourism Plan Summary presentation, it seemed to me Mr. Marini may believe we may not have best spent the current 5% tax via Travel and Tourism leadership.” My apologies.

Best Regards,

Jack

From: Jack Grup [mailto:jgrup@hlinn.com]  
Sent: Sunday, July 29, 2012 3:19 PM  
To: 'Vincent Marini'; Bill McKibbin; 'tthompson@hendersoncountync.org'; 'bill.oconnor@hendersoncountync.org'; 'jmedney@hendersoncountync.org'; 'cmesser@hendersoncountync.org'; 'lyoung@hendersoncountync.org'  
Cc: Kaye Caldwell; Anne Coletta; Beth Carden (bcarden@historichendersonville.org.)  
Subject: Proposed County Lodging Occupancy Tax Increase

Gentlemen,

I am writing to you to ask a number of important questions and to respectfully request that the Commissioners not approve the new 1% addition to the current 5% occupancy tax rate, as currently proposed, that is intended to be delivered directly to the Flat Rock Playhouse.

My wife Linda and I, and our businesses, Highland Lake Inn and Season’s Restaurant are huge supporters and business partners of the Flat Rock Playhouse (FRPH). We have had a strong and effective partnership over the past 13 years. This partnership certainly assisted our dynamic growth at Highland Lake Inn every year through 2007. We also hope and believe that this partnership and marketing cooperation assisted FRPH’s success over those years to some small degree.

2008 was the beginning of the Great Recession. From 2008 through 2010 our business got 30% smaller in sales. Our reaction to this was to also reduce our operating costs. We got smaller in reaction to the dramatically reduced sales.

It seems to us that FRPH management took a different approach in the face of the challenge of the recession. They grew in size by implementing a second venue downtown and by building the YouTheatre. Both very admirable endeavors made in a very difficult business climate. The downtown venue created the need to fill more seats while guest’s disposable spending was declining in the face of the recession. These additional expenditures, along with reduced ticket sales appeared to have resulted in a $1.4MM loss in 2010. We assume these are the primary drivers for the need for additional funding at this time.
There is good news on the horizon though. With the help of the Flat Rock Playhouse draw, Highland Lake Inn has seen 5% sales growth in 2011 and projected 10% growth in 2012. We might assume that FRPH will see similar improvements. It seems the tourists are slowly returning. We all work very hard to help facilitate that return of our guests.

It is important for us to state, that we do not oppose better utilizing tax funds to better assist Flat Rock Playhouse’s success in a very difficult business climate. We all benefit from their success. Our only concern is deciding where to best get those funds from and who is best positioned to manage the utilization of those funds to best support tourism growth in our county, and at the Flat Rock Playhouse.

In order to better understand the situation, I recently attended a FRPH briefing regarding how they would utilize the estimated $446,000 in occupancy tax funds delivered to them over two years under the proposed plan. I have read the “Playhouse Tourism Plan summary” delivered to us at this briefing by Mr. Marini. The stated goal is for FRPH to use the funds “To pursue a strategy of “cooperation and integration” among all tourism entities in order to “change the game in terms of tourism in Henderson County”. We wonder if these goals are not the exact same goals of the old Travel and Tourism Board, but delivered by a wider cross-section of the Tourism leadership in the county (including the FRPH) than that represented in the proposed FRPH model.

There is currently $1,000,000 estimated occupancy tax collected for the Travel and Tourism budget to promote tourism in our county. Could we indeed make better utilization of the existing 5% occupancy tax we already collect to better assist the FRPH and the other tourism businesses in the county? At a recent board meeting I attended I heard that Travel and Tourism may even have the ability to give more to the FRPH from recent past occupancy tax increases they may no longer need. I also understand that the FRPH has already collected an additional $234,000 from new government sources in 2012. With an improving economy, will this be sufficient to get FRPH back on a more solid, routine management track to better fill their seats without an additional tax increase? Shouldn’t these avenues be pursued before we add an additional tax on our lodging guest’s decision process? This seems especially important given that none of this seems to have been clearly vetted with many of our tourism professionals and business owners in the county who will need to be part of the success we all desire for the FRPH and increasing tourism in our county.

When we first heard about this proposed tax increase, we were not aware that it would be directly delivered to the FRPH. Even though we are a major tourism business in the county, nobody asked us our opinion. We understand that the Travel and Tourism Board, and many of our lodging business owner associates were similarly not contacted for their opinions in regards to this important change in the way we determine how we spend tax dollars for county tourism expansion. We thought the tax being considered would be allocated to the FRPH through the Travel and Tourism Board with appropriate controls and success monitoring measures, just like most all other occupancy tax expenditures. This seems the most appropriate management of any additional tax dollars collected to expand tourism opportunities in our county.

If the FRPH needs emergency funding in order for them to survive then we support assisting them getting that funding. The arts ARE worth supporting. Flat Rock Playhouse must succeed. We should certainly consider assisting them with tax collections if necessary in order for them to survive. But is this an
emergency? And where should this funding best come from and how should it best be delivered? What we do agree upon is that the FRPH is too important in our community to allow it to fail.

After reading Mr. Marini’s Playhouse Tourism plan summary, we assume that the funding is not emergency funding. If this is true, should we assist FRPH with monies collected via a 20% increase to current occupancy tax with a new, additional 1% occupancy tax delivered directly to the FRPH? We agree with many of Mr. Marini’s goals as stated, but differ on who should lead those efforts. In his Tourism Plan Summary presentation, it seemed to me Mr. Marini may believe we may not have spent the current 5% tax via Travel and Tourism leadership and he seeks to spend the money more effectively under FRPH control and expertise with reservations systems and improved cooperation between tourism entities in the county. I worry about further distractions of the FRPH leadership into these new ventures when, as in both of those cases, FRPH may not be the best entity to maximize our probability for success. I also wonder what prevented this improved cooperation in the past.

Along with Mr. Marini, I do wonder though if we can find a way to make a stronger destination appeal via better cooperation amongst our county tourism businesses and better marketing spending of the occupancy tax dollars we collect. Mr. Marini stated his concern that the new Tourism Development Authority may be in a state of confusion as it reorganizes and may not be the best place to direct new levels of cooperation and effectiveness of the spending of our tourism tax collected. He believes the FRPH is better suited to this task. I would rather put our focus on making a smooth transition from the past good efforts of the Travel and Tourism Board and improving the new Tourism Development Authority effectiveness so that they may better drive a strategy of improved cooperation and integration in the spending of the occupancy tax dollars collected. I am encouraged by what I heard from our new Travel and Tourism Executive Director, Beth Carden regarding a Spring Tourism forum to help to bring all of us together to improve our inter-business cooperation. This way we better utilize our current 5% occupancy tax funds, and prepare ourselves for more effective spending of an additional 1% tax collected if we ultimately deem this important to the growth of tourism and the success of the FRPH in our county.

Who is better prepared to “To pursue a strategy of “cooperation and integration” among all tourism entities in order to “change the game in terms of tourism in Henderson County”? I believe it is a newly energized Travel and Tourism Authority with a wide cross-section of Tourism leaders on its board (potentially including the FRPH of course). This will allow the FRPH to focus on its broader core competencies as it recovers from a very tough recession and the pains and opportunities represented by capital and operating budget expansions during that time. I believe we can work together better though the Tourism Development Authority to best understand how to help fill the recently expanded seat totals at the FRPH (via the downtown venue addition) while also increasing the average tourism dollars attracted to our county in the best interest of all of our county tourism businesses.

Finally, we may indeed need further tax collection to help us improve our destination tourism appeal in the face of increased competition in Buncombe County, but I believe we first should seek to better understand the impact on local lodging tourism businesses as we continue to increase the total tax paid by our tourism lodging guests. Our lodging guests are now paying 11.75% including sales tax which will rise to 12.75% if this tax were to be approved by the Commissioners. It should be noted that since 2006 the occupancy tax has already been increased by 67%.
Again, we are strong supporters of the Flat Rock Playhouse and their management team. We just think these questions deserve further consideration and discussion that include a broader cross-section of the tourism business leaders in our county. Travel and Tourism and the County may already have the money needed to better support the FRPH in our current occupancy tax funds. If, after this review, it is then determined that the FRPH needs even further funds in order to survive and to prosper, the Commissioners and the new Travel and Tourism Authority should work with FRPH on both the revenue enhancement (tax collection), marketing and cost control side to determine the most effective use of our current occupancy tax dollars collected (5% or an estimated $1 million) or any new tax being considered. Until that is completed, we respectfully ask that you delay or cancel this proposed occupancy tax increase that is intended to be delivered directly to the FRPH. We believe this approach will better serve our joint efforts to ultimately increase the tourism dollars spent in Henderson County in the best interests of the Flat Rock Playhouse and the other tourism businesses in our county.

Best Regards,

Jack and Linda Grup

Owners- Highland Lake Inn and Season's Restaurant
From: Bob Pell [rpell01@morrisbb.net]
Sent: Sunday, July 29, 2012 4:56 PM
To: Tommy Thompson; Bill O'Connor; jmedley@hendersoncounty.org; Larry Young; Charlie Messer; Bob & 
Marjane Pell
Subject: Flat Rock Playhouse

Dear Commissioners:

DO NOT PASS THE TAX THAT would AID THE FLAT ROCK PLAY HOUSE! The people in Henderson 
County don’t want it and they are really irritated with you for continuing to help them.

In the last several weeks, I have been asking my friends and neighbors what they think about 
what you are doing. All of my friends have enjoyed the Playhouse at one time or another. Many 
volunteer there and some are season ticket holders. NOT ONE SINGLE ONE OF THEM BELIEVES 
THAT WE SHOULD SUPPORT THEM!!!!!

They think that the Flat Rock Playhouse is a business and should be run like any other business. 
If they overextended themselves then let them fix it themselves. It’s easily done..... They just cut 
back--like any household would have to do Why should you use our hard earned tax money to 
bail them out.

And do not pass this situation on to the business men. The business climate is difficult enough 
without you making it more difficult. If the business men want to help them out, they can. They 
don’t need you to tell them their business. Your job is to keep the county solvent without raising 
taxes or dipping into the funds that were put aside for a rainy day.

The Flat Rock Playhouse is not a worthy cause. Rescind the $100,000 you were going to 
contribute. Do not enact the tax on the business community. I just came back from Florida and I 
was floored when I realized how much visitors had to pay to enjoy accommodations in that state. 
Tourism is important to this area ....Don’t squelch it!!!!

Very truly yours,

MJ Pell
From: Jack Grup [jgrup@hlinn.com]
Sent: Sunday, July 29, 2012 3:19 PM
To: 'Vincent Marini'; Bill McKibbin; Tommy Thompson; Bill O'Connor; J. Michael Edney; Charlie Messer; Larry Young
Cc: Kaye Caldwell; Anne Coletta; Beth Carden (bcarden@historichendersonville.org)
Subject: Proposed County Lodging Occupancy Tax Increase

Gentlemen,

I am writing to you to ask a number of important questions and to respectfully request that the Commissioners not approve the new 1% addition to the current 5% occupancy tax rate, as currently proposed, that is intended to be delivered directly to the Flat Rock Playhouse.

My wife Linda and I, and our businesses, Highland Lake Inn and Season’s Restaurant are huge supporters and business partners of the Flat Rock Playhouse (FRPH). We have had a strong and effective partnership over the past 13 years. This partnership certainly assisted our dynamic growth at Highland Lake Inn every year through 2007. We also hope and believe that this partnership and marketing cooperation assisted FRPH’s success over those years to some small degree.

2008 was the beginning of the Great Recession. From 2008 through 2010 our business got 30% smaller in sales. Our reaction to this was to also reduce our operating costs. We got smaller in reaction to the dramatically reduced sales.

It seems to us that FRPH management took a different approach in the face of the challenge of the recession. They grew in size by implementing a second venue downtown and by building the YouTheatre. Both very admirable endeavors made in a very difficult business climate. The downtown venue created the need to fill more seats while guest’s disposable spending was declining in the face of the recession. These additional expenditures, along with reduced ticket sales appeared to have resulted in a $1.4MM loss in 2010. We assume these are the primary drivers for the need for additional funding at this time.

There is good news on the horizon though. With the help of the Flat Rock Playhouse draw, Highland Lake Inn has seen 5% sales growth in 2011 and projected 10% growth in 2012. We might assume that FRPH will see similar improvements. It seems the tourists are slowly returning. We all work very hard to help facilitate that return of our guests.

It is important for us to state, that we do not oppose better utilizing tax funds to better assist Flat Rock Playhouse’s success in a very difficult business climate. We all benefit from their success. Our only concern is deciding where to best get those funds from and who is best positioned to manage the utilization of those funds to best support tourism growth in our county, and at the Flat Rock Playhouse.

In order to better understand the situation, I recently attended a FRPH briefing regarding how they would utilize the estimated $446,000 in occupancy tax funds delivered to them over two years under the proposed plan. I have read the “Playhouse Tourism Plan summary” delivered to us at this briefing by Mr. Marini. The stated goal is for FRPH to use the funds “To pursue a strategy of “cooperation and integration” among all tourism entities in order to “change the game in terms of tourism in Henderson County”. We wonder if these goals are not the exact same goals of the old Travel and Tourism Board, but delivered by a wider cross-section of the Tourism leadership in the county (including the FRPH) than that represented in the proposed FRPH model.
There is currently $1,000,000 estimated occupancy tax collected for the Travel and Tourism budget to promote tourism in our county. Could we indeed make better utilization of the existing 5% occupancy tax we already collect to better assist the FRPH and the other tourism businesses in the county? At a recent board meeting I attended I heard that Travel and Tourism may even have the ability to give more to the FRPH from recent past occupancy tax increases they may no longer need. I also understand that the FRPH has already collected an additional $234,000 from new government sources in 2012. With an improving economy, will this be sufficient to get FRPH back on a more solid, routine management track to better fill their seats without an additional tax increase? Shouldn’t these avenues be pursued before we add an additional tax on our lodging guest’s decision process? This seems especially important given that none of this seems to have been clearly vetted with many of our tourism professionals and business owners in the county who will need to be part of the success we all desire for the FRPH and increasing tourism in our county.

When we first heard about this proposed tax increase, we were not aware that it would be directly delivered to the FRPH. Even though we are a major tourism business in the county, nobody asked us our opinion. We understand that the Travel and Tourism Board, and many of our lodging business owner associates were similarly not contacted for their opinions in regards to this important change in the way we determine how we spend tax dollars for county tourism expansion. We thought the tax being considered would be allocated to the FRPH through the Travel and Tourism Board with appropriate controls and success monitoring measures, just like most all other occupancy tax expenditures. This seems the most appropriate management of any additional tax dollars collected to expand tourism opportunities in our county.

If the FRPH needs emergency funding in order for them to survive then we support assisting them getting that funding. The arts ARE worth supporting. Flat Rock Playhouse must succeed. We should certainly consider assisting them with tax collections if necessary in order for them to survive. But is this an emergency? And where should this funding best come from and how should it best be delivered? What we do agree upon is that the FRPH is too important in our community to allow it to fail.

After reading Mr. Marini’s Playhouse Tourism plan summary, we assume that the funding is not emergency funding. If this is true, should we assist FRPH with monies collected via a 20% increase to current occupancy tax with a new, additional 1% occupancy tax delivered directly to the FRPH? We agree with many of Mr. Marini’s goals as stated, but differ on who should lead those efforts. Mr. Marini has stated he believes we may not have best spent the current 5% tax via Travel and Tourism leadership and he seeks to spend the money more effectively under FRPH control and expertise with reservations systems and improved cooperation between tourism entities in the county. I worry about further distractions of the FRPH leadership into these new ventures when, as in both of those cases, FRPH may not be the best entity to maximize our probability for success. I also wonder what prevented this improved cooperation in the past.

Along with Mr. Marini, I do wonder though if we can find a way to make a stronger destination appeal via better cooperation amongst our county tourism businesses and better marketing spending of the occupancy tax dollars we collect. Mr. Marini stated his concern that the new Tourism Development Authority may be in a state of confusion as it reorganizes and may not be the best place to direct new levels of cooperation and effectiveness of the spending of our tourism tax collected. He believes the FRPH is better suited to this task. I would rather put our focus on making a smooth transition from the past good
efforts of the Travel and Tourism Board and improving the new Tourism Development Authority effectiveness so that they may better drive a strategy of improved cooperation and integration in the spending of the occupancy tax dollars collected. I am encouraged by what I heard from our new Travel and Tourism Executive Director, Beth Carden regarding a Spring Tourism forum to help to bring all of us together to improve our inter-business cooperation. This way we better utilize our current 5% occupancy tax funds, and prepare ourselves for more effective spending of an additional 1% tax collected if we ultimately deem this important to the growth of tourism and the success of the FRPH in our county.

Who is better prepared to “To pursue a strategy of “cooperation and integration” among all tourism entities in order to “change the game in terms of tourism in Henderson County”? I believe it is a newly energized Travel and Tourism Authority with a wide cross-section of Tourism leaders on its board (potentially including the FRPH of course). This will allow the FRPH to focus on its broader core competencies as it recovers from a very tough recession and the pains and opportunities represented by capital and operating budget expansions during that time. I believe we can work together better though the Tourism Development Authority to best understand how to help fill the recently expanded seat totals at the FRPH (via the downtown venue addition) while also increasing the average tourism dollars attracted to our county in the best interest of all of our county tourism businesses.

Finally, we may indeed need further tax collection to help us improve our destination tourism appeal in the face of increased competition in Buncombe County, but I believe we first should seek to better understand the impact on local lodging tourism businesses as we continue to increase the total tax paid by our tourism lodging guests. Our lodging guests are now paying 11.75% including sales tax which will rise to 12.75% if this tax were to be approved by the Commissioners. It should be noted that since 2006 the occupancy tax has already been increased by 67%.

Again, we are strong supporters of the Flat Rock Playhouse and their management team. We just think these questions deserve further consideration and discussion that include a broader cross-section of the tourism business leaders in our county. Travel and Tourism and the County may already have the money needed to better support the FRPH in our current occupancy tax funds. If, after this review, it is then determined that the FRPH needs even further funds in order to survive and to prosper, the Commissioners and the new Travel and Tourism Authority should work with FRPH on both the revenue enhancement (tax collection), marketing and cost control side to determine the most effective use of our current occupancy tax dollars collected (5% or an estimated $1 million) or any new tax being considered. Until that is completed, we respectfully ask that you delay or cancel this proposed occupancy tax increase that is intended to be delivered directly to the FRPH. We believe this approach will better serve our joint efforts to ultimately increase the tourism dollars spent in Henderson County in the best interests of the Flat Rock Playhouse and the other tourism businesses in our county.

Best Regards,

Jack and Linda Grup

Owners- Highland Lake Inn and Season’s Restaurant
From: Gigi [awwestbrook@bellsouth.net]
Sent: Monday, July 30, 2012 9:44 AM
To: Tommy Thompson
Subject: Flat Rock Playhouse Finances

Dear Mr. Thompson,

I have a suggestion for your review of FRP financial history. I have no direct knowledge of the Playhouse's finances or other inner workings but I have been told that the interim season between the death of Robin Farquhar and the hiring of the new artistic director was the playhouse's most financially successful period up to that time. I cannot vouch for the accuracy of that information. However, if review of the books proves this to be true, that year might well provide a benchmark for assessing subsequent financial decisions.

Anne W. Westbrook
Hi Tommy,
I was out with friends and the subject of Fat Rock came up. Our question is: why are we supporting Flat Rock at all? We are Republicans; our job is keep spending and taxes down. Is this not a state supported institution? Why is the county getting into it at all?

Thanks for listening and think Republican!

Fondly,
Kathy Willis

Sent from my iPad
On Aug 1, 2012, at 4:53 PM, Tommy Thompson <thompson@hendersoncountync.org> wrote:

Vincent and Bill,

I would be happy to meet with you any time Friday after 2:00pm or any time Monday Aug. 6th. I would like to see your 2011 990 if it is available. If it is not completed may I have the 12/31/2011 financial statement. I would also like the 2010, 2009, and 2008 audited statements. We would likewise be interested in finding out your assessment as to why you think the Playhouse is in the financial bind it is in. Your plans for recovery will definitely be of interest to all. I would suggest you have your Accountant and or others present to answer questions that you may not be able to field personally. It would be very beneficial even if we meet on Monday to have all the documentation no later than Friday the 3rd. so that I may study it over the weekend.

Tommy

From: Vincent Marini [vincent@flatrockplayhouse.org]
Sent: Monday, July 30, 2012 2:15 PM
To: Tommy Thompson
Cc: Bill McKibbin
Subject: Prior to meeting...

Tommy,

Hope you're doing well. Just two quick questions:

1. Would it be possible for Bill and I to meet with you for a few minutes just to discuss what is expected of us at the upcoming meeting so we are properly prepared. I just want to understand the format and make sure we have all the information we need so we meet all expectations.

2. Do you want any of the info in advance? Members of our board have already met with Bill O'Connor and I have met with Mike Edney so I wasn't sure if you would like to review our plans prior to the meeting so you are not hearing all of it for the first time.

I also want to personally apologize to you for letting my tongue slip at that last meeting. I was so shocked when Larry pointed to me in the courtroom and made those false claims about my salary that I let me emotions get the better of me. It was inappropriate and dragged we down to a discourse level that is not representative of our organization. I apologize to you and I will not allow it to happen again. Thank you for handling it with such class and respect.

Sincerely,

Vincent Marini - Producing Artistic Director
The State Theatre of North Carolina
Flat Rock Playhouse
w: 828.693.0403 x202
m: 609.504.0187
vincent@flatrockplayhouse.org
Kathy,

My opinion -

First - even though it is called the "State Theatre of North Carolina" the State provides almost nothing (I think I read $45,000 somewhere.)

Second - as Republicans we are about keeping spending and taxes down - BUT to do that we are about prosperity and job growth! Tourism accounts for approx. $200 million of our local economy = 1970+/- jobs! I am not a big Playhouse guy - been there 3 times in my life - but they are a major player in bringing in Tourist dollars and therefore jobs. As long as they work hand-in-glove with the Travel and Tourism Authority to promote all of Henderson County - I think we should take advantage of the opportunity.

This is not about bailouts or personal agendas - just like Sierra Nevada, Elkmet, Mark Williams and others - it is about jobs.

Thanks,

Mike

-----Original Message-----
From: Kathy Willis [mailto:bigkatkat@aol.com]
Sent: Thursday, August 02, 2012 8:22 PM
To: Tommy Thompson; J. Michael Edney; Larry Young
Subject: Flat Rock Playhouse

Hi Tommy,
I was out with friends and the subject of Flat Rock came up. Our question is: why are we supporting Flat Rock at all? We are Republicans; our job is keep spending and taxes down. Is this not a state supported institution? Why is the county getting into it at all?

Thanks for listening and think Republican!

Fondly,
Kathy Willis
Tommy, Larry, Charlie, and Bill,

In my opinion, Bill Moss’ latest editorial criticizing the BOC while ignoring the Trustee’s role in the FRP financial fiasco is way out of line. If you’ve already seen this April 11, 2010 article by Laura Deni in her “Broadway to Vegas” blog, just disregard. If not, believe you’ll be interested in the yellow flags raised by Ms. Deni about FRP, Regional Theaters, and producers/promoters......John

This story raises the following four questions (at a minimum)---

➢ Did the FRP Trustees know:
   1) The ratio of Broadway shows recouping their original investment is only 1 out of 5 and less for Off-Broadway shows.

➢ In reaction to Mr. Marini’s comment (reported by Ms. Elizabeth Moss 11/30/09) about an FRP original production possibly generating $1.5 million in residuals:
   2) The Boca Raton Theatre Director’s estimate of $10,400 in revenue for regional shows moving to other venues.
   3) The LA Center Theatre Group Press Director’s estimate of a $25,000 - $50,000 income stream for local productions picked up by other theaters.

➢ In response to Ms. Denise Ward’s review of “My Own Song”:
   4) The unanswered phone and e-mail questions left by Ms. Deni with Morris Broadband and FRP.

-----------------------------------------------

Laura Deni lives in Las Vegas and writes a weekly blog “Broadway to Vegas”.
http://www.broadwaytovegas.com/index.html

Copyright: April 11, 2010
By: Laura Deni

From Broadway to Vegas
REGIONAL THEATERS IN A QUEST FOR THAT POT OF GOLD - CAN A STANDING OVATION BE TAKEN TO THE BANK?
Can over zealous hype - something producers and press agents religiously plant in hopes any seed sprouts - actually cause more harm than good?

Alternative investments, including Broadway and Off-Broadway shows, are high risk. The commonly quoted statistic is that only 1 out of 5 Broadway shows recoup their investment with even a lower ratio for Off-Broadway shows. The biggest winner in recent memory was the 2001 opening of The Producers, a musical comedy about hoodwinking people who invest in theater.

Last July, then 33-year old Vincent Marini took over as Managing Director of the Flat Rock Playhouse in Flat Rock, NC. He publicly admitted that he had never heard of the 54-year old Playhouse before he answered the job posting seeking an executive director. 145 applicants from around the globe applied. That pool was narrowed first to 50, then 24, and finally pared to 11 candidates who were interviewed in person.

Marini's resume includes six years as producing artistic director for the Lenape Regional Performing Arts Center, a 1,500-seat theater that is the largest employer of professional actors in southern New Jersey. He has produced more than 30 critically acclaimed musicals, plays, ballets and concerts. The Board of the Theatre Alliance of Greater Philadelphia, made up of 100 professional theaters, asked him to serve as interim executive director in 2007.

Marini nailed the job. In addition to youth and enthusiasm, his tote bag included a new vision for the theater.

Flat Rock Playhouse has a long history. Robroy and Leona Farquhar first opened the Flat Rock Playhouse under a big top on the Great Flat Rock in 1952. The official history is posted as: "the beautiful Western Carolina region continued to grow, so did the Playhouse and in 1961, by a Act of the North Carolina General Assembly, Flat Rock Playhouse was officially designated The State Theatre of North Carolina. What began as a few weeks of summer performances in 1940 is now an eight month season of plays including Broadway musicals, comedy, drama, and theatre for young audiences."

Time eroded Flat Rock which was further devastated by the November 2008 suicide
of Robin Farquhar, son of the Playhouse's founders and its longtime artistic and executive director.

According to an article published in the Times-News, of BlueRidge Now; "A key part of Marini's vision for the Playhouse is to become an incubator for new shows that go directly to Broadway or Las Vegas. Were that to happen, Flat Rock Playhouse could rack up royalties for years. He thinks the first show of the season, a yet-to-be-named world premiere featuring "Las Vegas sensation" Clint Holmes, has a good shot at making it big."

Regional theaters do not launch productions with the goal that the next stop is Las Vegas to "rack up royalties for years."

In an article by Times-News Staff Writer Elizabeth Moss, titled Marini Has Ambitious Plans to Lift Flat Rock Playhouse published Monday, November 30, 2009, she reported on attending a potential investor meeting. (Blue Ridge Now. com)

"It only takes one musical hit on Broadway to give the Playhouse a percentage of every single ticket sale,' Marini tells a gathering of donors at his home earlier this month. The residuals alone, he says, could be in the $1-5 million range. A few guests ooh and ahh at the possibility," stated Moss' article.

Would that be in American dollars - was Broadway To Vegas' first thought. Curious, we staged a general inquiry about the likelihood of regional theaters hitting pay dirt.

"Realistic Expectations? Bit of an oxymoron in that nothing in theater is ever realistic, but I understand the question," responded Clive Cholerton, Artistic Director of the Caldwell Theatre in Boca Raton, Florida. Currently celebrating its 35th season, Caldwell is the longest running regional theater in Florida. The theater has 333 seats with no obstructions and no seat is over 60 feet from the stage.

The Caldwell Theatre is the longest running theater in Florida. The theater has 333 seats with no obstructions and no seat is over 60 feet from the stage.

"It all depends on your upfront contract. Let's start with a dream scenario. Say you were able to negotiate to receive 5% of all royalty fees of future productions. Let's
assume that the writer has negotiated 10% of gross box office as the royalty fees. If it is a Broadway hit, it might do $1.2M per week. So $62M for the year, which would translate into $6.2M royalty which would be $310,000 to the regional theater."

"Is that realistic. Not really, but possible."

"More likely for a theater like Caldwell is this: We negotiate maybe 2% of royalty fees for future productions. Most probably anything we originate would be an Off-Broadway type show (the size of our theater is more attuned to an off-Broadway house), show its weekly gross would be closer to $100,000/week. Again doing the math it works out to be $10,400. However, a show like this could potentially get a lot of other regional productions so you may get a revenue stream well into the future, albeit a small stream."

"As you said, the real value is in being known as a regional theater that develops new work which really helps with subscriptions. Most importantly though, you are hopefully doing good art. If you ever stop making that your #1 priority in regional theater, you won't be around for long."

The massive Center Theatre Group in Los Angeles includes the Ahmanson, Mark Taper Forum and the Kirk Douglas Theatre. Their premieres have included: Me and Bessie; 9 to 5; Angels in America; Biloxi Blues; Bloody Bloody Andrew Jackson; Children of a Lesser God; Curtains; Flower Drum Song (revival); Smokey Joe's Cafe and The Drowsy Chaperone. Press director Nancy Hereford responded:

"While regional theatres do in fact develop productions with an eye on a future Broadway production, it is not for financial rewards. It is unrealistic to plan for any income to be derived from subsequent productions. Those that do recoup and show a profit are few and far between. Even if a show goes on to a healthy Broadway run, the income stream to the originating theatre is fairly modest - well below $100,000 and normally in the range of $25,000-$50,000. Net profits are especially elusive."

"Regional theatres develop these productions mainly to satisfy their core mission statements and achieve prestige in the industry."

The show first mentioned as "a yet-to-be-named world premiere featuring 'Las Vegas sensation' Clint Holmes, has a good shot at making it big" was finally given the title of My Own Song billed as a world premiere produced by Morris
Broadband, which is a telecommunications provider, actively involved in the community, serving western North Carolina including Hendersonville, Nebo, West Jefferson, Franklin and Sylva.

This Holmes' musical which is about Clint and his interracial family's struggle to find its identity, is actually the third incarnation with previous versions staged in Chicago, New Jersey and Las Vegas. The project was first mounted in 1996 as *Comfortable Shoes*, which opened at the Paper Mill Playhouse in Milburn, New Jersey. In 2002, an updated version opened at The Royal George Theatre in Chicago. Then in June, 2007 another update was given the title *Just Another Man*, the fictionalized Holmes, Rei Coles - played by Clint Holmes - did a turn at the University of Nevada, Las Vegas in a production billed as aiming for Broadway or London.

We're assuming that neither the Paper Mill, The Royal George nor UNLV are in any pecking order for future royalties.

Clint Holmes is an amazing performer, but this particular show, by any name, has always had two distinct obstacles; 1) Holmes is not a major, bold-faced name. Even superstars have an uphill battle when their stories are brought to Broadway and 2) Why should anybody spend good money to see Clint Holmes lament about his childhood, when there are countless productions which deal with not fitting in and achieving success over obstacles?

A long term issue is that Holmes turns 64 on May 9th. He's not Frankie Valli and casting somebody to play him is an issue. Marini is directing the current production, which includes Marini having revised the book with Holmes.

Due to technical difficulties, the first three preview performances of *My Own Song* were scrubbed.

The Broadway producer is listed as Roy Miller who spent 14 years as an associate producer at the Paper Mill Playhouse. He left that post in December 2004 to venture forth as an independent producer chalking up an impressive list of successful projects. On several occasions he has partnered with Marini's Blue Eyed Theatrical production company which is described on its website as; "a production and touring company specializing in groundbreaking new plays, musicals, television shows, and unique concert events founded by
Director/Producer Vincent Marini."

Coverage of a Tuesday press sneak peek described and quoted Miller as "working on a theater project in China with Marini, underscored the potential that My Own Song has to go directly from the Flat Rock Playhouse to Broadway."

On Friday My Own Song did stage it's first and only preview in the theater which seats 506, and received an over-the-top review penned by Denise Ward. One of several eyebrow raising descriptions concerned the standing ovation.

"The audience at Friday night's performance of My Own Song starring Clint Holmes at the Flat Rock Playhouse witnessed something unusual by today's standards -- a spontaneous, thunderous standing ovation, complete with cheers and whistles."

"It wasn't one of those automatic standing ovations where one or two people stand and others dutifully follow. No, this was different. The audience shot up as one as the final note of the last song hung in the air, applauding until our hands and arms hurt."

Broadway shows that first nighters know are going to receive Tony award nominations don't get that kind of response.

Therefore, Broadway To Vegas left an overload of taped phone and E-mail messages with Morris Broadband and the Flat Rock Playhouse. Among the unanswered questions - How many attended that performance because they were comped or because they knew somebody associated with the show?

Born in England, Clint is the son of an African-American jazz musician and a British opera singer - Clint's first break came when Joan Rivers invited him to be her sidekick and announcer on the now defunct The Late Show. This was followed by a two year stint on Entertainment Tonight, for which he served as their musical feature and event correspondent.

According to his website, "Although his visibility was greatly enhanced by those roles, it wasn't until he landed his own Emmy winning talk/variety show on WWOR-TV that it all came together for Clint. New York at Night featured celebrity guests from the worlds of film, TV, theatre and music. Clint, in his dual role as host and singer, had the opportunity to showcase the full range of his talents as he performed, interviewed guests, and interacted with his audience - named Entertainer of the Year in both Las Vegas and Atlantic City."
Based upon how he has written his own website bio, that "hardship" background can become difficult for audiences to wrap their psyche around. It's not *Billy Elliot*. The toughest part will be convincing the public to pay Broadway prices for a ticket. Holmes has a powerful voice and magnetic stage presence. Nobody has ever felt short-changed after seeing him perform.

Vincent Marini hasn't been in his current position very long and already is heralded with making changes that can - eventually - turn Flat Rock Playhouse into a venue of note; renovating the marketing and creative offices towards pr specific to each production; an assistant greets visitors; the 2010 season includes new preview nights, big opening nights and added benefits for ticket subscribers; fewer shows that run longer. His vision also includes a new theater.

*My Own Song* continues at the Flat Rock Playhouse through April 25.
Tommy,

Hope you're doing well. Just two quick questions:

1. Would it be possible for Bill and I to meet with you for a few minutes just to discuss what is expected of us at the upcoming meeting so we are properly prepared. I just want to understand the format and make sure we have all the information we need so we meet all expectations.

2. Do you want any of the info in advance? Members of our board have already met with Bill O'Connor and I have met with Mike Edney so I wasn't sure if you would like to review our plans prior to the meeting so you are not hearing all of it for the first time.

I also want to personally apologize to you for letting my tongue slip at that last meeting. I was so shocked when Larry pointed to me in the courtroom and made those false claims about my salary that I let me emotions get the better of me. It was inappropriate and dragged we down to a discourse level that is not representative of our organization. I apologize to you and I will not allow it to happen again. Thank you for handling it with such class and respect.

Sincerely,

Vincent Marini - Producing Artistic Director
The State Theatre of North Carolina
Flat Rock Playhouse
w: 828.693.0403 x202
m: 609.504.0187
vincent@flatrockplayhouse.org