



The Outer Banks Chamber of Commerce

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June 7, 2011

The Honorable Beverly Perdue
Governor
The State of North Carolina
via electronic mail

The Honorable Peter Brunstetter
Co-Chair
Appropriations/Base Budget Committee
via electronic mail

The Honorable Phil Berger
President Pro Tempore
North Carolina Senate
via electronic mail

The Honorable Neal Hunt
Co-Chair
Appropriations/Base Budget Committee
via electronic mail

The Honorable Thom Tillis
Speaker of the House
North Carolina House of Representatives
via electronic mail

The Honorable Richard Stevens
Co-Chair
Appropriations/Base Budget Committee
via electronic mail

The Outer Banks Chamber of Commerce applauds the Governor's action to release the funding for the extended unemployment benefits. Dare County's unemployment rate reported for April 2011 was 10.6 percent and many of our residents are struggling to keep homes, feed children and simply survive the recession.

Releasing this money will allow bills to be paid and more money to be spent at small businesses which provide products and services. Given the current economic climate, every single dollar flowing through our local economy has taken on added significance. Not only does it help businesses remain viable, it also allows increased hiring.

Chamber members have grave concerns about the proposed state budget that is now on the Governor's desk. "Fee" is just another three-letter word for tax and this budget is loaded with increased and new taxes that will make doing business in North Carolina more expensive for existing businesses and less attractive to those considering setting up shop here.

An example is the increased court-related fees that will make it very difficult for small businesses to pursue collecting small debts. The cost of going to small claims court would in many cases be more than the amount to be collected. Justice shouldn't be available just to the wealthy.

The Chamber is working hard to help develop plans that will result in a year-round, more stable economy. One of the strengths and major selling points in trying to lure a diverse array of businesses to the area is an excellent school system. Dare County's local contribution to the school system is one of the highest in the state and that investment has resulted in top-notch schools and students who excel. The budget cuts to education are short-sighted and detrimental to efforts to create jobs which depend on the availability of an educated population.

The economic health of any region doesn't just depend on money flowing through the system. The health of the community also has a direct impact. This proposed budget is balanced, in part, by severe cuts to health services for our most disadvantaged – the poor, children and seniors. And it is difficult to ignore that many of the cuts are to health services for women. Money to provide services for mammograms, birth control, and screening for cervical cancer is disappearing for women who are unemployed, underemployed or are without health insurance. The cost of dealing with advanced diseases is significantly greater than that to provide screening and preventive maintenance health programs.

These concerns are not related to a partisan stance. Our membership reflects the diversity of political persuasions of the region. But regardless of political ties, each member knows the value of planning for the future and ensuring that the tools for growth are available for the next generation.

Our membership is primarily small businesses that have had to make tough choices over the last three years as revenues have shrunk. We know that there are hard choices to be made when balancing budgets and that success of remaining viable in economic downturns means restructuring, redefining priorities and "hunkering down."

Many of the cuts in this proposed budget would not have to be made or could be less severe if the one-cent sales tax is left in place. The value of eliminating this tax is almost nonexistent while the proposed new taxes and many cuts will have significant long term detrimental effects.

Anything that further hampers economic recovery of the Outer Banks has far-reaching consequences. A prime example can be found in weekly rental revenues. In 2010, nine percent of the total rental revenue was sent to property owners outside of Dare County but within the state. These instate property owners received \$32 million to spend in their communities or to reinvest elsewhere. The indirect impact of this money flowing from Murphy all the way back to the coast was \$64 million. And this doesn't include the impact of other businesses and commercial property owned here by those from elsewhere in the state.

Our membership has not sent a long list of requests to budget writers or our elected representatives. All of our requests are for items that help maintain our economy and our communities.

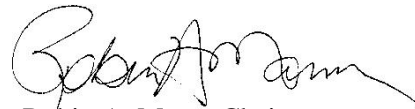
The Chamber requested that the Roanoke Island Commission which manages Roanoke Island Festival Park be cut 25 percent each year with it becoming self sufficient by the fourth year. And the Chamber supports the RIC resolution to maintain the enabling legislation instead of replacing it with the language in the House bill. This is an important attraction in Dare County and is the only site in the state to tell the more than 400 years of history of the state and the beginning of the nation.

The Chamber also requested that tolls (taxes) not be placed on the Hatteras/Ocracoke and Knotts Island/Currituck ferries because residents in those two locations should have the same rights as every other state resident – they shouldn't have to pay a tax to come and go from their homes or pay a tax so that students don't have to go through another state to attend school.

These are not selfish or inconsequential requests.

The budget road will probably have many twists and turns in the next three weeks. The Chamber can't offer any suggestions about how to deal with a stalemate. We can only ask that choices made are based on reason instead of rhetoric, compassion instead of confrontation, and are defensible when we explain to the next generation how their lives will be impacted.

Sincerely,

A handwritten signature in black ink, appearing to read "Robin A. Mann". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Robin A. Mann, Chair
Outer Banks Chamber of Commerce
Board of Directors

cc: Sen. Stan White
Rep. Tim Spear
Rep. Bill Owens
Dare County BOC
Currituck County BOC
Hyde County BOC