To: Mark Binker
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From Paul Gibson

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Sometime in the next two years, Guilford County voters should get a chance to lead the nation in long-range economic planning.

Guilford County taxpayers, like their counterparts in all the large growing counties, are constantly asked to support bond issues to finance construction for schools, jails, courthouses, and other projects which run into hundreds of millions of dollars, with no end in sight, and escalating tax levies to look forward to, until now.

There is another, better way. You can think of it as a bond issue in reverse, and a billion dollar one, at that. It would be a capital investment fund, an endowment, generating forty five to seventy five million dollars per year, every year, forever. No smoke and mirrors, the math is accurate.

It would require five cents on the county tax rate for twenty years, and when the fund matures, a legislatively required four cent tax cut.

Before the reader rejects the idea as too expensive, consider this; we already owe or have approved half a billion dollars in school construction bonds which we will be paying for over the next twenty two years. At the end of that time, we will have aging school facilities and not one dime for new schools or anything else.

In short, we can build a billion dollar capital investment fund and have it produce millions, before we get our present school construction bonds paid off.

Because the endowment would be a provision for the future well being of this county, and many other counties in this state who would adopt it, it has come to be called the Legacy Fund, and here is how it can happen;
Guilford County Commissioners- unanimously we hope - would ask the Institute of Government in Chapel Hill to prepare a bill for the North Carolina Legislature enabling voters to decide, county by county, whether to create their own legacy funds.

What the N. C. Legislature would be asked to allow is:

1. The accumulation of a Legacy Fund balance by Guilford County of one billion dollars, and the requirement that the Fund be allowed to grow to maturity and left untouched thereafter.

2. That the use of the annual interest from the Legacy Fund be limited to capital needs, and that capital expenditures be limited to monies generated by the fund.

3. That upon maturity of the Fund, County Commissioners be required to reduce the Guilford County tax rate by four cents (preventing them from shifting that now uncommitted income to an expanding local government without voter notice or approval).

4. The retention of one cent on the tax rate to compensate the fund for inflation, but only if needed.

5. The requirement that voters decide the issue on a local option basis.

6. The appointment by Commissioners of a Board of Trustees to make annual decisions regarding disposition of funds accumulated the previous year.

Having received legislative authority to levy the tax, and a mandate from voters to do so, the current Board of County Commissioners could put the Fund into action. Nothing further would be required of them relative to the Fund. Three years before the Legacy Fund maturity, however, a future Board of Guilford County Commissioners would appoint Trustees to administer the Fund. For the first few years, pent-up demand would easily absorb forty five to seventy five million dollars, but remember, this fund keeps on going like the Energizer Bunny.

An independent construction review board would be an asset of unimaginable value, too, and no contract to build any Guilford County project, now or then, should ever be let to any entity other than the low bidder in a single prime contract.

Finally, the Legacy Fund would be a grand gift to our children, and their children, and on and on. Guilford County would lead the State, and indeed the Nation's counties in a powerful and worthwhile way. What an engine for growth the Fund would be and how nice to see Guilford County lead the Nation, do what few states and even the Federal Government cannot do; grow without its hands constantly in the taxpayers pockets.