



Buncombe County Tourism Development
A Joint Meeting of the Public Authority and Nonprofit Corporation

Explore Asheville – 27 College Place, Asheville

Excerpts from the Board Meeting Minutes
Wednesday, April 26, 2023

- Present (Voting):** Kathleen Mosher, Chair; Brenda Durden, Vice Chair, Matthew Lehman, HP Patel, Elizabeth Putnam, Larry Crosby, Andrew Celwyn
- Absent (Voting):** Michael Lusick, Scott Patel
- Absent (Ex-Officio):** Asheville Vice Mayor Sandra Kilgore, Buncombe County Commissioner Terri Wells
- Staff:** Vic Isley, Jennifer Kass-Green, Julia Simpson, Ashley Greenstein, Glenn Ramey, Marla Tambellini, Mike Kryzaneck, Tiffany Thacker, Cass Herrington
- BC Finance:** Mason Scott, Buncombe County/BCTDA Interim Fiscal Agent
- Legal Counsel:** Sabrina Rockoff, McGuire, Wood & Bissette/BCTDA Attorney
- In-Person Attendees:** Dean Whiteford, Abbingdon Green Bed & Breakfast
Tina Kinsey, Asheville Regional Airport
Stephen Zubrod, Bruce Peterson, Carol Peterson; Asheville Buncombe Regional Sports Commission
Randy Claybrook, Asheville Bed & Breakfast Association
Peter Pollay, Posana
Mike Rangel, Asheville Brewing Company
Meghan Rogers, Asheville Independent Restaurant Association
Timothy Sadler, Community Member
Greg Parlier, Mountain Xpress
- Online Attendees:** Timothy Love, Buncombe County
Chip Craig, Greybeard Realty
Mickey Poandl, Ali Wainright, Anna Harris, Charlie Reed, Khal Khoury; Explore Asheville Staff
Chris Smith, Madison Davis; Asheville Buncombe Regional Sports Commission
Jim Muth, TPDF Committee
Rick Bell, Whatson-Bell, LLC
Diane Rogers, Pinecrest Bed & Breakfast
Kit Cramer, Asheville Area Chamber of Commerce
Chelsey Hett, Love the Green
Garrett Raczek, Thrive Asheville
Koree Case, Kim Lenox; MMGY

Penalty Waiver Request for Abbington Green Bed & Breakfast

Mosher provided background on a penalty waiver request received from Abbington Green Bed & Breakfast. Staff received a letter on April 18, 2023, requesting the waiver of penalty fees for late filing and payment from June 2021 through February 2023. The fees totaled \$20,860.06.

Mosher noted that the written waiver request from Abbington Green Bed & Breakfast, explaining the circumstances, and supplemental documentation were provided to the board for review in advance. Buncombe County Finance Department confirmed all outstanding occupancy taxes for June 2021 through February 2023 were paid on April 4, 2023; applicable penalty fees are owed to the county. Dean Whiteford of Abbington Green Bed & Breakfast was present to answer questions.

Mosher outlined the penalty fee structure. Mosher reminded the board that the Buncombe County Commission would make the final decision and verified with BCTDA Interim Fiscal Agent Mason Scott that the penalty fees collected go from Buncombe County Government to local school systems per North Carolina general statutes.

Mosher opened discussion by asking Scott to share any additional context he had regarding the process and on this specific request. Scott explained that commissioners depend on the BCTDA's recommendations for penalty waivers and that the BCTDA could decide whether to recommend a full waiver or any amount they felt was appropriate or justifiable.

Mosher inquired about whether the bed and breakfast had been notified about taxes owed. Scott responded that the account was deactivated, likely during the change of ownership in 2021. He explained that since occupancy tax collection is based on self-initiated reporting, new establishments must contact the county. The county's first record of contact with Whiteford was in March 2023.

Whiteford had an opportunity to address the board about the situation. Whiteford stated that he did not know about occupancy tax and that though it was collected by ResNexus booking platform it had been mislabeled as county sales tax. He said that he paid outstanding taxes as soon as he was made aware.

Follow-up discussion included questions about county policies and procedures, including clarification that if no action was taken by the BCTDA then the waiver request would not progress. It was noted that Explore Asheville intends to further evaluate this process as part of a revised MOU with the county.

It was reiterated that all outstanding occupancy taxes had been paid but penalty fees were still owed. Lehman requested the sums of each fee type (late filing and late payment); Isley provided them.

Several held positions that the onus is on business owners to be informed about the requirements of their industry. Celwyn took issue with the fact that extra taxes were collected but not remitted and felt Whiteford should have recognized discrepancy. Board members acknowledged that Whiteford did not seem to intentionally evade tax payments; a few empathized with Whiteford as a small business owner.

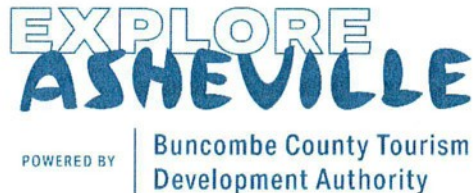
HP Patel made a motion to recommend approval of the penalty waiver request from Abbington Green Bed & Breakfast in the amount of \$20,860.06; Putnam seconded the motion. Lehman initiated discussion about whether others would consider requiring partial payment since this recommendation could set precedent. Mosher and Durden concurred. Lehman made an amended motion to recommend requiring late payment fees of \$5,960. HP Patel said his initial motion was simply for discussion. Putnam seconded Lehman's amended motion. There was no additional discussion. A vote was taken; the motion passed 5:2. HP Patel and Celwyn opposed.

Whiteford thanked the board.

Respectfully submitted,



Julia Simpson, Manager, Executive & Strategy



April 21, 2023

Sent via email to dean_whiteford@hotmail.com.

Dean Whiteford and Cherie Thorn
Happy Valley Hospitality, Inc.
dba Abbington Green Bed & Breakfast and Spa
46 Cumberland Circle
Asheville, NC 28801

RE: Occupancy tax payment and filing

Dear Dean Whiteford and Cherie Thorn:

Upon receipt of your enclosed letter, Explore Asheville staff plans to present your request for a waiver of occupancy tax penalties assessed by the Buncombe County Tax Department for Abbington Green Bed & Breakfast. The penalties, totaling \$20,806.06, were incurred due to the property's monthly occupancy tax reporting and remittance being late from June 2021 through February 2023.

In the first of a two-step approval process, your request will be presented to the Buncombe County Tourism Development Authority (BCTDA) at its next regular board meeting, which convenes Wednesday, **April 26, 2023, at 9:00 a.m.**, in the Explore Asheville Board Room, located at 27 College Place in Asheville. I encourage either you or a representative from your property to attend the meeting in person to present the circumstances related to this waiver request and answer any questions.

If you haven't already done so, please let Julia Simpson, manager, executive & strategy for BCTDA/ Explore Asheville, know if you or a representative will be in attendance. Julia Simpson's email address is jsimpson@ExploreAsheville.com.

Thank you in advance for your response. Please feel free to contact me at visley@ExploreAsheville.com or 828.258.6104 if you have any questions on this matter.

With best regards,

Victoria "Vic" Isley, President & CEO
Explore Asheville | Buncombe County Tourism Development Authority

cc: BCTDA Board
Mason Scott, Jennifer Pike; Buncombe County

VI:js