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Vote for the bonds, even in tough times

County has sizable debt, and should wait to borrow for parks.

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Charlotte and Mecklenburg County are asking voters to allow them to borrow \$477 million, over time, for parks, streets, neighborhood improvements and housing.

Voters should not automatically approve the bonds merely because we need all these things. Neither should they automatically defeat them because of the current hard economic times.

Instead, they need to assess the urgency of these projects, then weigh that against how much pressure passing the bonds would put on our local governments' finances.

We recommend a vote for the city bonds for streets, neighborhood development and housing.

In a much more difficult call, we recommend a vote for the county's park bonds, along with a strong caution to Mecklenburg commissioners and staff that they must wait to spend that money until county taxpayers can afford it.

Mecklenburg County also needs to change the way it pays for capital projects.

It's a bad time to be asking to be allowed to go into deeper debt, with the sour economy, frozen credit markets, dropping tax collections and rising demands for government services. The key to assessing the request, then, is to understand the needs, and also how the bonds work.

Let's look at the city and county bonds separately, because the circumstances are quite different.

City bonds

Here's what the city is asking for:

\$170.2 million for building and improving streets. About half would be spent on a handful of major road construction projects. The rest would go to smaller road and intersection improvements throughout the city, and to residential sidewalks.

\$47 million for neighborhood improvements, including streets, sidewalks, storm drainage, lighting and landscaping, mostly in north and east Charlotte.

\$10 million for low-income and moderate-income housing.

These are all projects Charlotte needs to remain a good place to live going forward. And, most importantly, the city has a dedicated bucket of money set aside for projects like these. The city knows it can afford these bonds without a tax increase because it builds it into its budget. This system lets the city avoid a volatile property tax rate even as it takes on new debt.

County bonds

The county park bonds prompt greater concern, because the county is already violating two of its own guidelines on how much it can borrow – debt per capita and debt service as a percent of the county's operating budget. The ratings agencies have rebuked the county for being out of compliance with those guidelines. Mecklenburg's debt last year was 43 percent higher by those two measures than the average AAA-rated county, and two times or more higher than Wake, Durham, Guilford and Forsyth counties.

With that in mind, county commissioners had no business increasing the amount on the ballot from the staff-recommended \$200 million to \$250 million to sweeten their parochial pot.

That said, there is no question most of the projects on the list are needed. The request sets aside \$60 million to buy land for parks and greenways, and \$43 million to build greenways and expand existing ones. Mecklenburg is starved for green-space and is losing more of it every day.

If the park bonds fail this year, passing them later will be tough. They would have to overcome the stain of this defeat while likely competing with a huge school bond request and other needs.

Even if voters approve the bonds, the county can take up to seven years to sell them. So County Manager Harry Jones must manage his staff and future boards of commissioners to ensure the debt is issued only when the county is in a stronger financial position. The county's tax rate is already under growing pressure.

The need for capital projects will only grow. The county needs to set up a true pay-as-you-go system for the future, and set that money off by ordinance so it cannot be raided for general spending.

Until then, voters should support the park bonds and demand that the county not use them until it can afford to do so.



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