

Chamber 'Putts' A Bounce In Economy

BY BILL DEARMAN, EXECUTIVE VICE-PRESIDENT
South Brunswick Islands Chamber Of Commerce

As the days grow longer, and as the warmth of the sun's rays takes the chill out of winter days, spring and the call of the outdoors arrive.

This annual passage brings to our part of the world strange but affable creatures who ride around the countryside in little white carts—some electric, some gas-powered—darting first in this direction then in that.

There must be some rhyme and reason to their wandering, because in the end they all arrive at a common location. Their meanderings through the quiet countryside seems as effortless as a sea gull in flight. The rhythm of their movement and the solitude of the moment is broken only on rare occasions by one of their number yelling, "FORE."

This word must have some strange effect, because when spoken loudly it causes panic among some of their numbers. Their rate of activity increases as they dash in every direction or turn and cover their heads and stand very still. This only lasts for a brief moment, then all returns to normal.

All of this activity takes place on what we call a golf course, and that is probably why they call it golf.

Thanks to some hard work by the people at the Department of Parks, Recreation and Tourism at Clemson University we have some very interesting information about these annual visitors. Ninety percent are between the ages of 25 and 64, about evenly divided between those over 44 and those under 44. Our visitors are almost all male, with only 19 percent being female.

Ninety-five percent have incomes higher than \$30,000 and 65 percent of these have incomes of over \$50,000. Seventy-six percent are married, and almost 50 percent live in suburban areas.

The top three states we draw from are New York, North Carolina and Pennsylvania. In addition to playing golf, 80 to 90 percent of our visitors also ate at a seafood restaurant, went shopping and went to the beach.

This is nice information to know because it shows that when visitors come they enjoy a variety of activities. It also demonstrates how tourism impacts us all. As I have said before, I know it takes more than tourism to make a community grow. But it is nice to know that we have a solid economic base in tourism on which to build.



DEARMAN

BUSINESS BRIEFS

Two Re-Elected To Board

Lyle Ray King and Robert G. Ward have been re-elected to serve three-year terms on the board of directors of Cape Fear Farm Credit.

They were elected by fellow members-borrowers of Cape Fear Farm Credit as representatives for the entire members. Directors are responsible for approving policies in the best interest of the association and its borrowers.



WARD KING

King is a lifelong Brunswick County resident and has been involved in farming all of his adult life. His farming operation includes 180 acres of tobacco and 1,300 acres of grain. He has been a Farm Credit member for 15 years and a director for three years.

Ward has lived in Brunswick County for 36 years. He farms 107 acres of tobacco and 1,000 acres of grain. He has farmed all of his adult life and has been a Farm Credit member for 40 years. He has served as a director for eight years.

Cape Fear Farm Credit provides financing for farming operations and homebuyers. It covers 12 counties in southeastern North Carolina.

Attends Convention

Elsa Jardine of Brunswick Travel & Cruise Headquarters in Shallotte recently attended the 18th annual Travel Agents of the Carolinas (TAC) Convention in Charlotte.

Leading travel suppliers, including air and cruise lines and various travel and tourism departments showcased their products during the

convention. Keynote speakers included Earlene Causey, president of the American Society of Travel Agents, and Seth Schofield, president and chief executive officer of US Air.

Brunswick Travel & Cruise Headquarters is a member of TAC, the only trade association expressly for agents in North Carolina and South Carolina. TAC is dedicated to advancing the professional and economic interests of the Carolinas' travel industry.

Attends 'Press Club'

Kim B. Hewett, public relations director of Century 21 Island Realty of Ocean Isle, was among the "Carolinas Press Club" members who attended a reporters' workshop held last week in Charlotte.

Hosted by Century 21 Real Estate of the Carolinas, the session is designed to increase members' awareness of public relations and to explore effective publicity efforts within the community.

Harmon Recognized

Tracy Harmon of the conference sales department of Sea Trail Plantation at Sunset Beach was voted 1992 employee of the year at the company's second annual employee of the year luncheon.



HARMON

The event was held at the Sea Trail's Jones/Byrd Clubhouse and Conference Center.

Ms. Harmon has been employed with Sea Trail for two and a half years. She was selected for the honor because of her exceptional performance, exemplary attitude and her dedication to the job and company, a news release indicated.

DuPont Says \$1.9 Million Tax Bill Came From Illegal Audit

BY ERIC CARLSON

DuPont Company attorneys last week claimed that a recent property tax audit was conducted illegally and warned that Brunswick County could end up owing money to its second-largest taxpayer if courts rule against the county's effort to collect \$1.9 million in back taxes and penalties.

Regardless of the company's claims about how the audit was conducted, county officials said the study still indicates that DuPont owes back taxes. They say the only question is how much.

The Brunswick County Board of Commissioners will decide within 30 days whether to authorize a negotiated settlement of the tax bill or to go along with DuPont's request to throw out the audit altogether.

DuPont was one of the 493 businesses whose property taxes were audited under a county contract with Tax Management Associates Inc. of Charlotte. The county hired TMA in 1991 to examine the records of companies whose home offices are located outside North Carolina.

The county billed DuPont for more than \$1.7 million in taxes last year, based on the company's estimated property value of \$256. The TMA audit determined that DuPont underestimated its value last year and every other year since 1987.

"It is our contention that DuPont underestimated its value to the tune of \$229 million," County Tax Supervisor Boyd Williamson told the commissioners, who met Wednesday night (March 10) to hear the company's appeal.

Williamson presented figures showing that in the past five years, DuPont has failed to report the property value of about \$120 million in machinery and equipment and more than \$95 million worth of construction in progress.

DuPont's Raleigh attorney William Patterson told the board that the



STAFF PHOTO BY ERIC CARLSON

TAX SUPERVISOR Boyd Williamson speaks in defense of a recent audit showing that the DuPont Company owes Brunswick County \$1.9 million in back taxes and penalties. The company's appeal of the finding was heard by the county commissioners last week.

figures developed by TMA don't matter because "the entire adjustment is void and illegal." He said that state courts have ruled that a private firm cannot be hired to audit companies if payment is to be based on a percentage of the delinquent taxes discovered.

He said the county's original contract with TMA called for the firm

to collect 35 percent of collections. He said that after courts stuck down such arrangements, the wording of the agreement was modified.

But he said TMA's fee was still based on a percentage and would likely be ruled illegal.

"They got to eat part of what they shot," Patterson said.

DuPont attorney Jean Carter said that if Brunswick County tried to collect back taxes and penalties based on the TMA audit, the courts would likely rule in favor of DuPont's contention that it accidentally underestimated its allowable depreciation and overpaid its taxes.

"You are going to end up owing DuPont money," Carter said.

Williamson disputed DuPont's claims, saying the modified contract with TMA said the company could be paid "no more than 35 percent" of back taxes collected, but the fee was based on the number of audits conducted, not the amount discovered.

"Mr. Patterson, being an attorney, knows all about eating part of what you kill," Williamson said. "If I hired Mr. Patterson to sue a hospital for \$1 million, he'd eat about \$330,000 of that."

"Don't let anyone scare you into thinking that we're going to have to give money back. This has all been researched and it is not illegal," he said.

Patterson and Carter represented the Philip Morris Companies of Cabarrus County in a court action against a TMA audit. The N.C. Court of Appeals ruled against TMA because of the 35-percent contingency fee, Patterson said.

He said the company had argued that an auditor could not be expected to act impartially if it stood to collect a higher fee for a higher tax bill. He said the ruling, which is under appeal to the supreme court, established the "law of the land" regarding such contingency arrangements.

Noting that "an appeal is not law," County Attorney David Clegg said after the hearing that he believed the new contract with TMA was legal. He also disputed Carter's claim that DuPont had underestimated its depreciations.

"They would have you believe that DuPont is such a mom-and-pop operation and that it makes so many mistakes," Clegg said. "We're talking about a sophisticated multi-national corporation with an army of tax attorneys. They don't make mistakes."

John White, secretary treasurer of TMA, said none of the 12,000 audits performed by the company has been successfully contested "as to the values" used to compute delinquent taxes. He said TMA uses a company's own records to establish values.

White said the new contract with Brunswick County did not call for a percentage of collections to be paid to the auditors. He said TMA was paid for each audit, regardless of collections, according to the size of the company.

"We're motivated to do more audits, not to make larger discoveries," said White.

TMA gets \$600 for each audit of a company worth \$400,000 or less, \$1,105 for valuations between \$400,000 and \$1 million and \$1,625 for firms with a valuation of \$1 million to \$5 million. For companies valued at more than \$5 million, such as DuPont, the auditing firm is paid \$5,200.

The contract says that the total amount paid to TMA cannot exceed 35 percent of delinquent tax collections, White said. He estimated that Brunswick County is likely to pay far less than 35 percent.

Commissioners Chairman Don Warren said the county is willing to negotiate with DuPont and may consider reducing or dropping the \$473,000 in penalties included in the company's \$1.9 million tax bill.

Health Department Inspects 65 Establishments During February

Environmental health specialists with the Brunswick County Health Department inspected and graded food and lodging services at 65 establishments during February.

Food service grades are based on a perfect score of 100 percent, with points taken away for infractions of health standards. An "A" is given to scores of 90 percent or better; a "B" to scores from 80 to 89 percent; and a "C" to scores from 70 percent and 79 percent. An establishment that scores less than 70 percent would not be allowed to remain in operation.

Food Stands: Corner Store, Ash, 84; Handee Hugo, Shallotte bypass, 90.5; Jose's Taco Shop, Shallotte, 85.5; Long's General Store, Ash, 93.5; McGee's Mini Mart, Leland, 95; Mr. Frosty's, Leland, 90; Reed's Country Store, Longwood, 91; Scotchman, Shallotte, 91; Southbound Snack Shack, Bolivia, 93; Wilson's Deli, Leland, 90.

Day Care: Southeastern Mental Health, Bolivia, four demerits.

Meat Markets: Food Folks, Shallotte, 93; Food Lion, Southport, 95; Food Lion, Shallotte, 94; Food Lion, Sunset Beach, 92.5; Wilson's Supermarket, Shallotte, 90.5.

Residential Care: Lewis Morgan, five demerits.

Restaurants: Alice T's, Shallotte, 90; Beck's Restaurant, Calabash, 92; Becky's Restaurant, Ash, 93; Big Nell's Pit Stop, Ocean Isle Beach, 96.5; Britt's Grill, Supply, 92; Burger King, Shallotte, 92; The Chart House Restaurant, Southport, 91.5; Cougar Pit Stop, Boiling Spring Lakes, 92; Crow's Nest Grill, Southport, 94.5; The Dawg House, Ocean Isle Beach, 90; Del's Restaurant & Deli, Long Beach, 92.5; Denny's Cafe, Ocean Isle Beach, 94; Derbster's Dining & Sports Lounge, Calabash, 80.5; Duffers Restaurant & Lounge, 86; Family House Restaurant, Shallotte, 92.5; Famous Subs & Pizzas, Southport, 90.5; Folly's, Supply, 93; Food Folks Deli, Shallotte, 93; Food Service Inc., CP&L, Southport, 74.5; Gin-

ny's Chicken House, Holden Beach, 83; Holden Beach Pier & Grill, 90.5; Island Grill, Sunset Beach, 94; The Islander Restaurant, Ocean Isle Beach, 90; Joyce's Grill & Tavern, Seaside, 94; Kentucky Fried Chicken, Shallotte, 91; Lee's Petroleum & Auto Services Inc., Leland, 93.5; Lockwood Folly Halfway House, Supply, 85; Margie's Restaurant & Waffle House, Long Beach, 96.5; Market Express, Shallotte, 87.5; McDonald's, Shallotte, 90; Mimi's Cafe, Southport, 95.5; Minuteman Food Mart, Seaside, 84.5; Oak Island Restaurant, Yaupon Beach, 95; Ocean Air Restaurant, Thomas-

boro, 80.5; Oree's Fast Food, Bolivia, 97; Pizza Hut, Shallotte, 90; Pizza Hut, Southport, 86; Roberto's Pizza, Ocean Isle Beach, 90; Sam's Place, Sunset Beach, 90; Sandfiddler's, Shallotte, 91; Sandpiper Restaurant, Leland, 90.5; Sandpiper Restaurant, Calabash, 91.5; Senior Citizen Nutrition Site, Shallotte, 92.5; Sizzlin' Sirloin Steakhouse, Shallotte, 96; Sky Mart, Shallotte, 96; Tamers Restaurant & Lounge, Lion's Paw, Sunset Beach, 96; Wilson's Deli, Shallotte, 90.5.

School Lunchrooms: Leland Middle School, Leland, 92.5; North Brunswick High, Leland, 90.

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North Student Is Winner Of Wal-Mart Scholarship

Kyung Ih Lee of Leland has been chosen the 1993 recipient of the \$1,000 Wal-Mart Foundation Community Scholarship, according to Rick Burris, Shallotte store manager.

The scholarship is awarded each spring by Wal-Mart to an area college-bound student.

Kyung Ih Lee is a senior at North Brunswick High School in Leland. She plans to attend the University of North Carolina at Chapel Hill in the fall.

"It is with great pleasure that we announce Kyung Ih Lee as the winner," Burris said. "It was a difficult decision for our team of well-qualified judges who had to select."

The scholarship criteria include academic performance, involvement in the community, financial need and interviews.

Scholarship alternates are Melissa Love, South Brunswick student planning to attend N.C. State, and Trina Massey, West Brunswick student planning to attend UNC-Wilmington.

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