

money

Shipman acknowledged the main argument for bringing other industry into the Chapel Hill area—the need for employment opportunities for non-professional, low-income people.

"One of my concerns is that I think, in the interest of the community, we have to be concerned that there are a limited number of jobs for low-income persons," Shipman said.

The role of the University as the primary employer in Chapel Hill and the limited type of employment offered in the area generated discussion during the recent municipal election campaign.

Mayoral candidate Harold Foster, who said he represented low-income people, said, "People need more variety of jobs than just being state employees with the University or N.C. Memorial Hospital."

Mayor-elect Nassif said during the campaign, "The position of the University is dominant—not necessarily bad, just dominant. We can't find an industry that can even match that."

Since his election Nassif has said, "There's room for diversity of employment in the town...But if you're talking about employment and you're talking about the big smoke stacks—no. We don't have the area for it."

The University's economic presence in Chapel Hill is not limited to its employment capacity. The University is also a major landowner in Orange County and is a landlord to several business establishments. The latest property listing for the University catalogs more than 3,400 acres of land in Orange County, only 475.83 of which are on the main campus.

The University owns some of the largest undeveloped lands in Chapel Hill. The Mason Farm tract, south of campus, extends for more than 1,000 acres. The Horace Williams Airport property is 971.3 acres, including the airport, storage facilities and a great expanse of undeveloped land. University Lake, both the surrounding land and the water reservoir, comprises 575 acres. The Orange County Water and Sewer Authority leases the lake from the University for \$1 per year. The

For the record

Due to a reporting and editing error, the name of the new Ms. BSM, Rosalind Fuse, was misspelled in a story about her coronation in Monday's *DTH*. Also, a picture of Friday night's BSM step show was inadvertently published next to the coronation ball story and incorrectly identified as a scene from Saturday night's ball. The *DTH* regrets these errors.

University also owns 136 acres of park land and 358.92 acres of parking and undeveloped lots in Chapel Hill.

The Hill Building, which houses the Carolina Coffee Shop, Varley's, Julian's and The Little Shop is also University property. The four stores pay the University an annual rent of \$12,000 to \$16,000. The money is given to the N.C. Collection. The University also owns and acts as landlord for the building at 134 E. Franklin St., which houses the First Citizens Bank. The bank pays the University approximately \$26,000 a year for the space. This money is used for maintenance of the building.

Until 1977 the University also owned and operated all of the town's utilities—water, telephone and electric. But under orders from the General Assembly, the University began to negotiate the properties and sold them all for \$42 million in 1977. Orange County and the towns of Carrboro and Chapel Hill formed OWASA and bought the water system for \$1,654,000. The electrical utility went to Duke Power Co., for \$16,035,000. Southern Bell Telephone Co. bought the telephone utility for \$26,376,000.

The money from the utility sales will finance construction of the new central library.

"Basically, the utilities were sold because they had gotten too big for the University to manage them," said John Temple, vice chancellor for business and finance.

Before the utilities were sold there were some efforts within the local communities to purchase them and keep them as public corporations. But these efforts failed and the utilities went to the highest bidder.

"I suspect if you put it to a vote, probably the majority would not have voted for the outcome," Temple said. "The University had an asset that was obviously valuable and we didn't feel we should sell that to anyone at less than market value."

The University's current land holdings, its past ownership of the local utilities and its operation of the Carolina Inn is the reason behind a lawsuit brought against the University by Chapel Hill, Orange County and Carrboro. The suit, which has its origins in the Orange County tax supervisor's discovery of University property for taxes in 1974, contends the University should pay taxes on properties not used for educational purposes. All University property previously has been tax exempt.

The most recent ruling in the University tax case came in July when Wake County Superior Court Judge William McKinnon ruled that the University should pay taxes on the Carolina Inn and its personal property, the utilities and the Hill Building. The assessed value of these properties is more than \$30 million.

But the case is not yet resolved as both the University and the local governments, which argue the University should pay taxes on more property, are appealing the decision. Lawyers for both sides are preparing their appeals and are expected to ask to bypass the N.C. Court of Appeals and have the case heard before the N.C. Supreme Court in 1980.

But figures supplied by the University's Business and Finance office show that the University and its students are already major taxpayers in Chapel Hill, Carrboro and the county.

Between the University and the hospital, the town of Chapel Hill receives approximately \$154,500 in sales and use taxes. Orange County receives \$360,500 per year. In franchise taxes on electric and telephone bills the University pays the town \$153,000 per year.

Also, students pay roughly 18 percent of Chapel Hill's property tax or \$547,000 a year, through rents on apartments, Granville Towers and fraternities and sororities. The apartments in Carrboro, where many students live, generate 37 percent or \$254,125 of Carrboro's property tax.

While it should be evident that the University is the key economic force in Chapel Hill, there are indications that the town's growth patterns and economic development are becoming increasingly independent of the University.

Until the 1970s the town's population growth mirrored the enrollment increases at the University. But since the University's enrollment began to level off, the town has continued rapid growth. This trend can be attributed to the influx of residents from the Research Triangle Park as well as the growth of all Sunbelt cities.

Also, during the past two decades town government has moved into areas that previously were filled by the University, ranging from the operation of utilities to providing town residents with recreation facilities.

"We have now faced and are facing problems that other towns faced 50 years ago," Wallace said.

"Chapel Hill in short was an infant," Wallace said. "It was playing 'town' as children might play 'town.' But now we are growing up."

"The town is growing and beginning to flex its muscles," Thorpe said. "The University is going to have to stand and protect its interests. They've dominated the town for so long it's hard to be treated as just one of the other boys on the block."

Since the town has begun to grow more independent of the University, the University no longer is able simply to ask and receive. The University must now deal with a town which, in many ways, has become autonomous. The result has been conflict between the two separate spheres—the town and the University. The emergence of the town has created a divergence of interests between the local community and the University, which is most visible in the University's growth demands.



Temple

"A number of years ago, when the University population was stable, it was always a good idea to own land next to the University," Jennings said. "But now the University has been developing, expanding and playing catch-up ball. Now a lot of people are anxious about living next to University land."

"The main problem in planning in concert with another governmental entity (the University) is that we really don't know what they are doing. They have pretty much carte blanche to do whatever they want to do."

Temple said the University will continue to expand its facilities. "I don't see the University's needs for facilities ending anytime soon," Temple said. "We still have deficiencies...I'm sure there will be some friction between the University and the town anytime we build facilities because it will impact on somebody."

"We don't have the alternative to stop and do nothing, which is what some people would want," Temple added. "The University has state-wide obligations it has to meet, and we have to find some way to meet them in the environs of Chapel Hill."

The conflict between the University and the town over the University's growth has been manifested in debates over the N.C. Memorial Hospital parking deck, the controversial UNC Press Building and is threatening to flare up again over the University's planned construction of a \$21-million athletic center. But in all previous cases the University has gotten its way in the end, even by going to the state General Assembly to get permission for the Press Building.

"There is a feeling that the University throws its weight around, that it does what it wants to do come hell or high water," Temple said. "I don't believe that's the way we intend to operate."

"The only power we have is the power of persuasion," he said. "We only have power other people give us."

News In Brief

Reagan enters presidential race

NEW YORK (AP)—Former California Gov. Ronald Reagan launched his third bid for the Republican presidential nomination, entering the race Tuesday as the party's acknowledged front-runner.

The 68-year-old former movie star has been a leader of the GOP's conservative block for more than a decade. His candidacy completes a field of 10 seeking the 1980 Republican nomination.

Iranian students released

ST. PAUL, Minn. (AP)—Four Iranian students jailed since Friday for allegedly plotting to kidnap Minnesota Gov. Al Quie were released today by Ramsey County authorities.

The release came shortly before a noon deadline for filing charges against the four Mankato State University students, said Ramsey County Attorney Tom Foley.

The students, Homoz Asadi, 32, Hady Heidary, 35, Feradonoon Ghodoosi, 29, and Mohammad Noori, 34, were arrested during a reception for foreign students at the governor's mansion.

A&P strike over

A week-long strike against the A&P Company by the employees of two unions ended this weekend when settlement terms were reached. All stores in the Chapel Hill-Carrboro area are now open and running on a regular schedule, managers said Tuesday.

The settlement contract makes provisions for protecting the working hours of senior and full-time employees and includes an 8-10 percent wage increase.

State will not suffer for oil

RALEIGH (AP)—North Carolina's energy director said Tuesday the state should not suffer major inconveniences because of President Carter's decision to cut off American purchases of oil from Iran.

James E. Gibson Jr. said revenue reports indicate North Carolinians reduced their consumption of gasoline by 6 to 7 percent during the months of August and September in comparison to amounts used last year.

Terrorists wound ambassador

LISBON, Portugal (AP)—Two terrorists wounded Israel's ambassador to Portugal and killed his bodyguard Tuesday in a grenade and machine gun ambush. Three other persons were injured.

Portuguese National Radio said it received a telephone call from a previously unknown group, the International Militant Workers, claiming responsibility for the attack.

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THE Daily Crossword by Ruth N. Schultz

ACROSS
 1 Yawn
 5 Pileit
 9 Coffee
 13 Adjective suffix
 14 Humdinger
 15 Singer Yma
 16 Bloomer or corner
 17 Too suave
 18 One used in a frame-up
 19 Volume, abbr.
 20 — boy!
 21 Socials
 22 Losing one's wits
 25 "Have you — wool?"

DOWN
 26 Headgear
 27 makers
 30 Condition
 33 Inferior
 35 NY school
 36 Delivers a knockout punch
 40 Varnish ingredient
 41 Face, sl.
 42 Correct texts
 43 Art
 46 Crushing snake
 47 "— the sun shines"
 53 Courteous
 56 "— Well That ..."

ACROSS
 57 Money; abbr.
 58 A Bronte
 59 Oratorio solo
 60 Peasant in India
 61 Tennis Rod
 62 Fuss
 63 And
 64 MacMurray of movies
 65 Chanticleer's harem
 66 Valley

DOWN
 23 Alliance letters
 24 Horse commands
 27 Sommer
 28 Nothing; Fr.
 29 Voiceless consonant
 30 WWII town
 31 Comparative word
 32 Ancient chest
 33 Respite
 34 Exclamations
 37 Large nail
 38 Backyard fence
 39 Eastern nursemaid
 44 Showed pleasure
 45 Demigod
 46 Club rules
 48 Bret
 49 Foreigner
 50 Pastoral poem
 51 Not tied down
 52 John of music
 53 Riches
 54 Sharif
 55 Not on tape
 59 Residue
 60 Dustcloth

Yesterday's Puzzle Solved:
 GOAL STRIP INHIBIT
 RITUA PINNY NORSE
 GUNZ FURSE TRITIAL
 FEMLY RISE BIASTIS
 PROSTRATIONS
 DIS NOIS AWL
 CHOSR BUBBERTHA
 AURA WANES WINEZ
 STANDINGS SCONE
 HER RIA RIAH
 WINDOTHEWISIP
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