

The Balancing Act of Governing- The Roane Alliance by Ron Woody, Roane County Executive

Changing Government by Research, Study, and Analysis

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We hope through a series of articles that we can help explain programs offered by Roane County, why we offer these programs, and the costs and benefits of these programs to the citizens of Roane County. This article discusses the taxpayers' investment in the Roane Alliance (the Alliance).

The Alliance was formed by a group of Roane County leaders in 2000. The goal of the formation of the Alliance was to consolidate the leadership in not only direction and focus, but also to achieve efficiency of administration.

The county's Industrial Development department and fiscal contribution to a tourism organization was initially eliminated. The community business of the Chamber of Commerce was merged with the Industrial Development and Tourism functions to form the Roane Alliance. The Alliance board then hired a CEO to manage the three unified organizations. The finances of the three organizations remain independent of each other.

The first organization under the Alliance umbrella is the Industrial Development Board (IDB). Roane County government is the primary funding body for the IDB. Roane County contributes financially to the IDB instead of having county employees to manage our industrial parks and to support businesses and industries along with recruiting new industry. The IDB is established by the Roane County Commission and I attend most of the board meetings representing the county government's interests. The county further has an Industrial Liaison Committee that works with the IDB and Alliance CEO. Without the Alliance, the industrial efforts would either be a governmental department or potential governmental initiative.

The second organization under the Alliance is the Tourism Board. The goal of tourism is to encourage non-residents to help pay for Roane County services. In simple terms, we are using the hotel/motel tax which is paid primarily by non-residents of Roane County to encourage more non-residents to visit Roane County and spend their money here and to potentially move themselves and/or their businesses to Roane County or even retire in Roane County.

The main benefit of increased tourism dollars is that these visitors spend money in our stores and gas stations. This increases the local option sales tax which is collected in Roane County. Half of the local option sales tax collected goes to the local school systems. The other half goes to either the city government, if the business is within the city limits, or to the county. The county local option sales tax is used to support the county solid waste/convenience center operations.

We encourage non-residents to support these Roane County services. To our readers, I encourage you to be friendly and helpful to the many individuals that you meet in our stores and gas stations because many times they are visitors who are helping to pay for our schools and community services.

The Chamber of Commerce, which is the third organization under the umbrella of the Alliance, is not funded by the Roane County government outside of annual membership dues and the purchase of tables at the annual Gala similar to many other Roane County businesses. This membership in the Roane County Chamber of Commerce is Roane County government saying “thank you” to our local businesses.

The Alliance, IDB, Tourism Board and Chamber of Commerce are not perfect organizations. Nevertheless, I would contend that they are more efficient than being departments of the county government. The Alliance has more flexibility, more agility and can make decisions in a more efficient and effective manner than county government, but still has governmental oversight.

Roane County government contracts for industrial recruitment but also stays involved on a project by project basis, and sometimes a day-to-day basis, from the County Executive’s office and also the County Purchasing Department. However, the county does not employ an IDB Director or support staff.

What is the cost of the Roane County contract with the Alliance? Approximately ½ of 1% of the county budget is invested in industrial activities. Roane County transfers to our IDB approximately \$390,000 which is both operational cost and capital investment. Roane County’s transfers in hotel/motel tax for tourism are approximately \$150,000.

Balancing government operations, functions and investments consists of Roane County’s investment in the Alliance to encourage and retain business for Roane County in order to help grow the tax base to support other government services. Is it perfect? No. Is it better than direct government operations? I think our prior leaders were wise in the creation of the Alliance.

Other information about the Alliance can be found on the Roane County website: www.roanecountytn.gov under County Executive- Executive Summaries #7 and #41 and also at www.roanealliance.org .