

Request to Modify Woodfin Downtown Project Development Financing Bond Structure

- Buncombe County issued \$12.96 million Product Development Financing Bonds to fund construction of public infrastructure.
- The County is protected with a tax lien on the property.
- Wells Fargo foreclosed on the property for failure to make payments on the construction loan. The Court appointed a Receiver for certain assets of the Developer.
- The Receiver is working to continue the development, but the project needs more time because of the great recession and downturn in the national and local commercial and residential development markets.
- There are positive happenings within the development – AVL Technologies located there, and the Receiver is negotiating with a movie theatre, a hotel and a restaurant to locate there in the near future.
- In order to give the project the time it needs to build out and become self sustaining, the Receiver negotiated with bond holders, Wells Fargo and the Developer to restructure the bond payment schedule.
- The Receiver has reached an agreement with the two bondholders to modify the existing structure to include the following:
 - Deferral of the first principal payment
 - Extension of the final maturity of the bonds
 - Release of ½ of the Debt Service Reserve Fund to pay interest on the bonds.
 - Further deferral of principal payments in each year to conform to revenue projections
 - Increase the bond call date
 - The County abate the Minimum Assessment Taxes levied on the District in 2011; however, the Receiver will pay the taxes due on property prior to June 30, 2012.
- The NC Local Government Commission has also been involved in these discussions and is required to approve the changes. Pending County approval they are willing to consider the modifications in their June meeting.

- The District has had decent development activity through the most recent recession, so Staff believes that the restructuring of the original bond issue is the action needed at this time to give the District more time to develop.