



**BUNCOMBE COUNTY, NORTH CAROLINA
BUDGET AMENDMENT
GENERAL FUND**

BOARD MEETING DATE: June 05, 2018

Budget Amendment Item: PDF Woodfin Subsidy

Background Information:

The PDF Woodfin Special Revenue Fund accounts for Ad Valorem tax revenues pledged to meet the debt service requirements related to the PDF Woodfin Downtown Project. The revenues received in this fiscal year are insufficient to cover the full debt service payment of \$657,950. The \$20,689 is the County's portion of the shortfall required to make the full payment. The Town of Woodfin contributed \$10,447 to shortfall.

This initiative started in 2008 when the County and Town of Woodfin entered into an interlocal agreement in connection with the issuance of Project Development Financing Bonds in the amount of \$12,960,000, pursuant to which both the Town and County pledged the taxes received on the incremental valuation accruing to the Woodfin Downtown Corridor District as repayment of the these bonds. This debt was used for providing infrastructure such as roads, sidewalks, and lighting. In early 2014, the Town and County entered into a new interlocal agreement whereby the County restructured the original debt, which resulted in refinancing \$11,285,000 and a \$1,075,000 defeasance of the 2008 Bonds. Under the terms of the new April 2014 interlocal agreement, the Town and County agreed to continue contributing their respective allocations of the incremental revenues in each fiscal year to the repayment of the new bonds. Per the Agreement, should the incremental tax revenue received be insufficient to cover the current debt service payment, the Town of Woodfin and County are responsible for the covering the respective proportionate share of the shortfall. This is the first year incremental revenues were insufficient to cover debt service requirements.

Funding Source:

Savings from FY2018 Debt Service Budget.

THE FY2018 BUDGET ORDINANCE IS HEREBY AMENDED TO REFLECT THE FOLLOWING CHANGES:

DEPARTMENT	DESCRIPTION	ACCOUNT NUMBER	Increase (Decrease)	
			REVENUES	EXPENDITURES
Debt Service	FY18 Capital Projects	1091000-471000-3322		(20,689)
Interfund Transfers	Transfer to PDF Woodfin Special Revenue Fund	1098200-498031-0000		20,689
TOTAL			-	-

REQUESTED BY:

AUTHORIZED BY:

COUNTY MANAGER

DATE

CHAIRMAN OF THE BOARD

DATE