



Buncombe County Board of Commissioners

Request for Board Action

Meeting Date: 6/18/2019

Consent Agenda

Department: Budget/Finance

Presenter(s): Jennifer Barnette, Budget

Contact(s): Jennifer Barnette, Budget

Subject: Project Development Financing (PDF) Woodfin – General Fund Subsidy

Brief Summary: The Project Development Financing (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. Buncombe County Finance has estimated a shortfall of \$201,795. The Town of Woodfin's estimated FY2019 subsidy due to the county is \$68,804. Therefore, the remaining share of the shortfall is estimated to be \$132,991 from Buncombe County.

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 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 covering the respective proportionate share of the shortfall.

Recommended Motion & Requested Action: The Finance and Budget Offices recommend approving this budget transfer of \$132,991 from the General Fund Debt Function to Interfund Transfers to pay this subsidy. The request is to approve this budget transfer of \$132,991.

County Manager's comments and Recommendation:

The County Manager agrees with this recommendation.