



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

BOARD MEETING DATE: June 18, 2019

Budget Amendment Item: Project Development Financing (PDF) Woodfin - General Fund Subsidy

Background Information:
 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.

Funding Source:
 Budget Savings in the General Fund Debt Function

COST CENTER/DEPARTMENT	PROGRAM (IF APPLICABLE)	LEDGER ACCOUNT	REVENUE/SPEND CATEGORY	Increase (Decrease)	
				REVENUES	EXPENDITURES
Debt Service					(132,991)
Interfund Transfers		8000: Interfund Transfer Expense			132,991
TOTAL				-	-

APPROVED BY:

 County Manager

 DATE

 Chairman of the Board

 DATE