



Buncombe County Board of Commissioners

Request for Board Action

Meeting Date: 12/3/2019

Public Hearings

Department: LEGAL

Presenter(s): MICHAEL FRUE

Contact(s): MICHAEL FRUE / ENKA-CANDLER FIRE

Subject: RESOLUTION APPROVING THE DELIVERY OF A TAX-EXEMPT INSTALLMENT LOAN BETWEEN THE ENKA CANDLER FIRE AND RESCUE DEPARTMENT AND FIRST BANK

Brief Summary: The Enka Candler Fire and Rescue Department ("ECFD") has been working with independent counsel and First Bank on a proposed installment loan in an amount not to exceed \$2,055,000, the interest on which will be excludible from gross income for federal income tax purposes. The purpose of the loan is to finance the costs of acquiring, constructing and equipping a new substation (the "Project") and certain costs and expenses of closing the loan. The public hearing is required to satisfy Sections 150(e)(3) and 147(f) of the Internal Revenue Code of 1986, as amended, which requires the governmental unit having jurisdiction over the area in which the Project is located to conduct such public hearing and approve the loan transaction. The hearing is what is often called a "TEFRA" [The Tax Equity and Fiscal Responsibility Act of 1982] hearing. This process for a public hearing on the proposed loan and a Board approval of the loan does not constitute a debt of the County, or a pledge of its faith and credit.

Recommended Motion & Requested Action: Approve the Resolution regarding a Tax-Exempt Installment loan Between the Enka-Candler Fire and Rescue Department and First Bank and matter related thereto.

County Manager's comments and Recommendation: Manager recommends approval as presented.