



Buncombe County Board of Commissioners

Request for Board Action

Meeting Date: 6/15/2021

Consent Agenda

Department:

Budget

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 \$743,200. Buncombe County Finance has estimated a shortfall of \$127,372.

The Town of Woodfin's estimated FY2021 subsidy due to the County is \$48,932. Therefore, the remaining share of the shortfall is estimated to be \$78,440 from Buncombe County. The amount of the amendment is being rounded up to \$81,500 in the event that the actual amount of the service charge is larger than anticipated.

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 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, which is 61.58% for Buncombe County and 38.42% for Town of Woodfin.

Recommended Motion & Requested Action: Approve budget amendment

County Manager's Comments & Recommendation: County Manager recommends as presented