



TDA Administrative/Collection Fee and TPDF Cycle

Presented by

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BUNCOMBE COUNTY

Legislative Changes



Summary of Occupancy Tax Changes

- House Bill 1057 / SL 2022-40: amends Local Occupancy Tax rules. Primary changes include:
 - Marketing ratio reduced from 75% to 66%
 - Cost of administering and collecting the tax capped at 5% of gross proceeds
 - Creates the Legacy Investment from Tourism (LIFT) Fund to provide assistance for tourism-related projects that attract tourists or benefit the community at large
 - Allows TPDF funds to be used for capital maintenance, but not operational expenses
 - Changes Debt Service period of performance from 10 to 15 years



Administrative Support Contract

- Agreement between Buncombe County and TDA to provide occupancy tax administrative activities, financial (e.g., payroll, accounts payable), information technology (e.g., software licensing)
- Period of Performance: begins 7/1/2017
 - No expiration date, but may be terminated with 30 days notice
- Current Administrative Fee: 1.5%
 - “County will evaluate the cost of services provided to the BCTDA on an annual basis through the indirect cost plan and will determine annually if the current 1.5% administrative fee is sufficient to cover these costs.”



Administrative Fee Amounts

Year	Occupancy Tax	Current: 1.5%	Additional: 3.5%	Total: 5%
FY23 (projected)	\$35.3M	\$530K	\$200K*	\$730K*
FY24 (projected)	\$37.5M	\$560K	\$1.3M	\$1.9M

*Note: Estimated collection for a partial year collection of approximately 2 months.



Next Steps

- Revise/develop a new contract setting the administrative fee as 5%.
- Identify start date for collection of administrative fee (e.g., upon contract execution, July 1, 2023)



TPDF Projects



2023 TPDF Milestones (tentative)

The Tourism Product Development Fund (TPDF) grant cycle tentative schedule is below.

Phase 1 Applications Open / Close	April 2023 / May 2023
Phase 2 Applications Open / Close	June 2023 / August 2023
Grant Awards Announced at BCTDA Board Meeting	October 2023



Buncombe County Priorities (draft)

Potential Buncombe County priorities for the upcoming TPDF cycles may include:

- Affordable/Middle Income Housing Funding
 - Potential Projects: Coxe Avenue Mixed Use Development, Valley Street Mixed Use Development, Ferry Road Mixed Use Development
- Public Recreation Development and Expansion
 - Potential Projects: BCSP Recreation Destination (Phase 2), Ferry Road Recreation Destination (Greenway, Trails)
- Other (Regional Assets, Community Cleanliness/Safety, others)
 - For discussion



Wrap Up



Recommended Projects

- **TPDF**

- Current Year:
 - McCormick Field (up to 50% of selected project)
- Future Years:
 - Affordable Housing Allocation (~\$2M/year)
 - Buncombe County Sports Park (Phase 2) – Lights/Turf for 3 additional fields (\$3.5M)



Appendix



Projects for Discussion

Project Name	Description	Estimated Total Cost	Priority
Affordable Housing Development	Recurring contribution to affordable housing development in Buncombe County. Housing will be utilized by residents that are likely to be employed in the service, hospitality and other industries.	\$2M/annual	TBD
Coxe Avenue Mixed Use Service Industry Housing and Cultural Hub	Mixed use development on County-owned property to include affordable housing and market rate housing for service industry and other workers including commercial and/or institutional space for retail, arts, and cultural amenities.	\$50M	TBD
Ferry Road Destination (Greenway, Trails, and River Access)	Greenway (~2 miles), trail (~2 miles) and river access park at the Buncombe County-owned Ferry Road site. These recreation assets will connect the Ferry Road site to Bent Creek River Park, the Blue Ridge Parkway and Arboretum. The site will be utilized for mixed income housing, recreation, light commercial/industrial and conservation.	\$5M	TBD
BCSP Recreation Destination – Phase 2	Add turf and lights for ~3 additional fields at Buncombe County Sports Park. This will bring the total turfed fields to 6 out of 9. Turf and lights will increase playable hours.	\$6-7M	TBD
McCormick Field Improvements	Improvements to the City-owned McCormick Field.	\$30M	TBD



Projects for Discussion (continued)

Project Name	Description	Estimated Total Cost	Priority
Farm Heritage Trail Phase 2	Farm Heritage Trail phase 2 in East Buncombe County	\$500K	TBD
I-26 Aesthetics	Improvements to I-26 improvements in Buncombe County. The total aesthetics improvement cost is included and includes improvements to Bowen Bridge, Patton Avenue, and Amboy Road. The total cost does not reflect contributions from local governments including the City of Asheville.	\$10M	TBD
Black Mountain Site Plan	Improvements in the Town of Black Mountain including, but not limited to, ADA River Access, Cragmont Park improvements, and Mountain Bike Park	\$5M	TBD
Weaverville Site Plan	Improvements in the Town of Weaverville including, but not limited to, Reems Creek Greenway and Recreational and multi-use field space	TBD	TBD
Swannanoa Site Plan	Improvements to the Beacon site for the Mountain Sports Complex	TBD	TBD
Montreat Site Plan	Greenway connectivity between Montreat and Black Mountain	\$1M	TBD



LIFT Fund

- The Authority shall create a Legacy Investment From Tourism Committee to review and evaluate proposals from applicants for:
 - Tourism-related capital projects, including capital maintenance, and
 - project administration, design, restoration, maintenance, and
 - rehabilitation as well as enhancement of natural resources and
 - expansion of necessary infrastructure.
- The Legacy Investment From Tourism Fund cannot be used for operational expenses.
- Applicants must provide information as to how the project balances visitor and resident needs as part of the application process for a Legacy Investment From Tourism Fund project

