On March 6, 2007, the Commission approved the creation of a project development financing district and mixed use project in the Town of Woodfin. At that time, conditional approval was also given for the issuance of $26.5 million in project development financing bonds anticipated to be issued in phases by Buncombe County on behalf of the Town for streets, roads, utilities and other public infrastructure improvements in the Woodin Downtown Corridor Development Financing District to be constructed in conjunction with a mixed-use residential, retail and commercial development to be built over 7 to 10 years by Reynolds Mountain Partners, LLC. The proposed private development has an estimated tax value of approximately $127 million. The proposed bonds will be repaid from the incremental tax revenue generated by the private development and Minimum Assessment Agreement discussed belo a development agreement among Reynolds Mountain Partners, LLC and the Town and the County. Updated revenue projections indicate that the incremental tax revenue from the development will be sufficient to pay debt service on the first issuance of bonds.

As additional security for the bonds, the developer will enter into a Minimum Assessment Agreement that requires that tax values on the developer's property be set annually at a level that will guarantee additional tax revenue sufficient to pay annual debt service if needed. No other revenues of the County or Town are pledged for the repayment of these bonds.

The project is proceeding as planned, and the developer has begun construction of the private development and the public infrastructure as required under the development agreement. Bids are in hand for about $5.9 million of the public infrastructure which represents about 61% of the estimated construction cost in this initial phase. The Town and County now request final approval of the terms and conditions of the first sale on these bonds to fund the public infrastructure improvements for the project. The proposed bonds would be issued for a 26 year term, in an amount not to exceed $13.5 million including issuance costs, capitalized interest and required reserves, and are planned to be sold in April, 2008 at an estimated fixed rate of about 7.0% with a maximum rate not to exceed 8.15%. The structure for debt service payments will include capitalized interest for approximately two years, with approximately even annual payments thereafter. As approved in March, 2007, the bonds will not be rated, and the sale will be limited to minimum denominations of $100,000 and sold only to qualified institutional buyers as defined by the Securities & Exchange Commission, and will exclude any individual buyers unless the bonds become rated as "investment grade." In March, the Commission approved a financing team for the sale with A. G. Edwards & Sons, Inc. as underwriter which has now merged with Wachovia Securities, so that the bonds will now be sold by Wachovia Securities as the approved underwriter. The Trustee for the bonds will be U. S. Bank, National Association.