



Legislation Text

File #: 22-101, **Version:** 1

TITLE:

Public Hearing on Financing for the 203 South Greensboro Street Property and Adoption of Resolution Supporting Application to the Local Government Commission

PURPOSE: The purpose of this item is to take comments from the public on a proposed financing contract for the Town's share of the acquisition, construction, and equipping the planned 203 South Greensboro Street Project and adopt a resolution supporting an application to the Local Government Commission.

DEPARTMENT: Town Manager, Finance

CONTACT INFORMATION: Richard J. White III, Town Manager, 919-918-7315; Arche McAdoo, Finance Officer, 919-918-7439; Bob Jessup, Bond Counsel, 919-933-9891.

INFORMATION: On March 15, 2022 the Carrboro Town Council and the Orange County Board of Commissioners approved the Guaranteed Maximum Price (GMP) provided by Barnhill Contracting Company in the amount of \$34,692,067 to complete construction of a building and associated parking at 203 South Greensboro Street to provide for the Orange County Southern Branch Library, Orange County Skills Development Center, Carrboro Recreation, Parks and Cultural Resources, WCOM Radio, and other uses.

The total project cost including design, construction and furniture, fixtures and equipment is \$41,174,840. The County will pay \$22,218,882 of the total project costs; and the Town's share of the project costs is \$18,955,958 and will be paid as follows:

- a. Tax exempt financing in the amount of approximately \$12,595,000 for Design and Construction;
- b. Cash contribution of \$6,319,358 for FF & E, contingency, and construction; and,
- c. Cash contribution of \$41,600 from Stormwater Utility Enterprise Fund for soil cell.

North Carolina law requires that the Town's installment financing contract in the amount not to exceed \$12,650,000 be approved by the North Carolina Local Government Commission. In addition to holding a public hearing, the governing body must make certain findings of fact to support the Town's application for the LGC's approval of the Town's financing contract. The financing contract will be for 20 years with semi-annual interest payments on March 1 and September 1 commencing September 1, 2022; and annual principal payments on March 1, commencing March 1, 2024. The Town is securing the contract by a deed of trust on the Project site and the Town's interest in the Project. Closing is anticipated to take place on May 10, 2022. The Town Council will be asked to adopt a Resolution for the 203 Project Financing at the May 3, 2022 Council Meeting pending LGC approval.

FISCAL & STAFF IMPACT: Repayment of the debt will be annual fixed payments of approximately \$666,000 and semi-annual interest payments to be determined at closing.

RECOMMENDATION: It is recommended that the Town Council hold a public hearing to receive comments from the public on the proposed installment financing contract; and that the Council adopt the Attached resolution supporting an application to the Local Government Commission for its approval of a Town financing of the 203 South Greensboro Street Project.