



## Legislation Text

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**File #:** 22-154, **Version:** 1

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**TITLE:**

Resolution for Council Final Approval for Financing up to \$12,650,000 for the 203 Project and Approval of Financing Contract with Truist Bank

**PURPOSE:** The purpose of this item for the Town Council to approve a final resolution for financing the 203 South Greensboro Street Project and approve a financing contract with Truist Bank.

**DEPARTMENT:** Town Manager, Finance,

**CONTACT INFORMATION:** Richard J. White III, Town Manager, 919-918-7315; Arche McAdoo, Finance Officer, 919-918-7439.

**INFORMATION:** On April 5, 2022, the Carrboro Town Council held a public hearing on the proposed financing for the 203 South Greensboro Street Project and adopted a resolution supporting an application to the North Carolina Local Government Commission (LGC). The Town's financing application has been submitted to the LGC for approval at its meeting on May 3, 2022, and we anticipate no issues with receiving this approval. North Carolina law requires approval of the LGC for local government installment financing contracts.

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. 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 up to \$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.

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 for this financing is anticipated to take place on May 10, 2022.

Bond Counsel has prepared the Resolution Providing Final Council Approval for Financing up to \$12,650,000 (Attachment A). The resolution approves substantially the final form of Installment Financing Contract with Truist Bank (Attachment B) for the 203 South Greensboro Street Project, and authorizes Town staff to complete the closing.

**FISCAL & STAFF IMPACT:** Repayment of the debt will be annual fixed payments of approximately \$662,000 and semi-annual interest payments at the rate of 2.82%.

**RECOMMENDATION:** It is recommended that the Town Council adopt the Resolution Providing Final Council Approval for Financing up to \$12,650,000 (Attachment A).