

LOCAL GOVERNMENT COMMISSION AGENDA
APRIL 5, 2022

1. PLEDGE OF ALLEGIANCE

2. CONFLICT OF INTEREST STATEMENT

3. MINUTES FOR APPROVAL

March 1 2022 LGC Meeting
March 23 2022 Special Meeting

(PRELIMINARY)

RELATED INFORMATION
Approximate Per Capita Debt

State: \$ 543
Federal: \$ 91,152

Unit	Type	Purpose	Amount	Comments	Number	Last request to Borrow
Ashe County	Financing Agreement	Industrial Park	\$ 1,360,000	FPIC	2	FA 7/20 \$13.2m
Beech Mountain	Revolving Loan	Sewer	\$2,870,000	FPIC	2	RL \$1.74M and \$2.2M - 8/2021
Beech Mountain	Revolving Loan	Water	\$2,913,265	FPIC	2	RL \$1.74M and \$2.2M - 8/2021
Laurinburg	Revolving Loan	Distribution System Improvements Phase 2	\$4,515,000	FPIC	2	FA \$575,000; 10-2021
BEGIN Consent Agenda						
Carolina Beach	Financing Agreement	Land Purchase	\$ 3,250,000		3	FA 02/22, \$688k
Clinton City Board of Education	Financing Agreement	Guaranteed Energy Savings Contract - Equipment	\$ 2,670,300		3	FA \$1.047M; 10-2003
Stanly County	Financing Agreement	Sewer	\$ 1,412,000		4	IP - \$1,810 MM - 12/15/2021
Fuquay-Varina	G.O. Bonds	Parks, Recreation, Transportation	\$ 38,500,000	Referendum	5	4-2-2019; \$3.65 MM G.O.
High Point	G.O. Bonds	Parks and Recreation	\$ 5,300,000	Two-Thirds Authzn.	5	4-2-2019; \$7.0 MM IFC
Morrisville	G.O. Bonds	Public Safety Improvements	\$ 1,110,000	Two-Thirds Authzn.	5	9-14-2021; \$37.0 MM G.O.
High Point	G.O. Refunding Bonds	Refunding	\$ 20,000,000	Current Refunding	6	4-2-2019; \$7.0 MM IFC
Housing Authority of the City of Durham	Revenue Bonds	Multifamily Housing Revenue Bonds (JFK Towers)	\$19,000,000		7	FA \$4.646M- 2-2009
High Point	Revenue Bonds	Combined Enterprise System Revenue Bonds	\$ 40,000,000		8	R 12-2021 \$51.6MM
N. C. Housing Finance Agency	Revenue Bonds	Multi-family Housing	\$ 6,000,000		9	R 2-2022 \$850MM
Burnsville	Revolving Loan	Water	\$1,003,013		10	RL \$1,142,750; 11-2020
Henderson	Revolving Loan	Sewer	\$ 2,542,553		10	RL - \$1,659 MM - 7/7/2019
Kinston	Revolving Loan	Water	\$385,150		10	RL \$649,944; 11/2021
Selma	Revolving Loan	Water (Wastewater)	\$ 2,515,000		10	R \$687K 12-2016

MISCELLANEOUS ITEMS

ACTION ITEMS

Charlotte Housing Authority - AKA Inlivan	Revenue Bond	update to Bond Documents			11	R \$27.9M; 10-2021
Greenville	Annexation	Volunteer Fire Department			11	IP 11/21 \$14.5M

END Consent Agenda

NOTE: LGC Staff recommends approval of all financing requests on the April 2022 Agenda.

UNIT UPDATES

Unit	Action Item	Purpose	Attachment	Vote Needed
East Laurinburg	Update only		ATTACHMENT B	
Eureka	Action Item	Approve firm to conduct AIA Study		Vote Needed
Cliffside Sanitary District	Update only			
Robersonville	Update and action Item	Approve Budget Amendment		Vote Needed
Pikeville	Update and action Item	Approve Budget Amendment		Vote Needed
Kingstown	Update only			
Spring Lake	Update and action Item	Approve Budget Amendments (5)		Vote Needed
Units Engaged in Fiscal Accountability Agreements				
FAA Report (includes Scotland Neck)	Update only			

OTHER ACTION ITEMS

Resolution to Convert SRF Loans to VUR Grants	Action Item		ATTACHMENT C	Vote Needed
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Discussion Items

Discussion of dates/times for Special Meetings				
Report to GA required pursuant to SB 105 Section 36			ATTACHMENT D	
Proposed changes to rules				
Update on East Laurinburg			ATTACHMENT E	
Update on Spring Lake				

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY/ TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE	MARKETIBILITY
ASHE CO \$1,360,000 160A-20 Installment Contract Private Placement	Infrastructure work at the Ashe County Industrial Park. <u>Expected Sources and Uses of Funds:</u> Uses: Loan Proceeds \$ 1,360,000 Golden Leaf \$ 500,000 NC Commerce IDF \$ 438,024 ARC \$ 300,000 Total Sources \$ 2,598,024 Uses: Project Costs \$ 2,598,024 Total Uses \$ 2,598,024	Necessary and expedient to increase economic development in the area.	Bids are in hand.	The County received an FPIC letter due to the audit being submitted February 11th, past the December 1st deadline. The County responded that their auditor was affected by COVID-19 and had to work remotely for 2 weeks without direct access to working papers and files. There was also a number of singular occurrences such as the implementation of GASB 84 and troubles with the GASB 34 conversion worksheet which should not present an issue going forward. The County's response was considered satisfactory.	No rate increase is anticipated. Debt service will be paid from the General Fund.	Lender: Blue Ridge Electric Amount \$ 1,360,000 Approval Rate: 0.00% Term (years): 10 Market Rate: Structure: Monthly principle payments Bank placement will not be rated. Current G.O. ratings: S&P Moody's:	Rural Economic Development Loan and Grant (REDLG) USDA able to lend to local govt at 0%

Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	To Property		Per Capita	
								Values Before	After	Before	After
Industrial Development	26,863	\$ 1,360,000	2/21/2022	\$ -	\$ 4,235,437,766	\$ 13,434,315	\$0.510	0.32%	0.32%	\$ 500	\$ 500

BEECH MOUNTAIN Sewer \$2,870,000 G.S. 120-157.2(a) Revolving Loan	2022 Sewer Main Improvements Project will identify sewer deficiencies in 7 identified areas and to complete improvements. The project will rehabilitate or replace approximately 6,500 LF of 8" gravity sewer and 2,550 LF of 10" gravity sewer, complete 26 pipe spot repairs of various lengths, and rehab/repair 194 manholes. 7 areas: Grassy Gap Creek, Ski Loft Road, Clubhouse Road, Chestnut Way, Lakeledge Circle, Greenbriar Road and the Meadowview Circle/Christie Way/Skiway Circle area	The project is necessary and expedient as most of the sewer system was constructed in the 1960's and early 1970's making the existing sewers in all areas over 40 years old.	Cost estimated by Benjamin B. Thomas, PE, West Consultants, PLLC.	The Town's Finance Department was short-staffed during the summer. The issues were not Covid related. Supporting documents were not able to be located during audit fieldwork were missing. The documents were all located after the audit was completed. The Town is storing audit documentation electronically now. Reponse is satisfactory.	The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service. Current Rates (5,000 gal): Water: \$54.96 Sewer: \$54.96 Expected rates at the end of the project (gals) Water: \$54.96 Sewer: \$54.96	Loan from the State of North Carolina Terms: 20 years The rate established under this program for the respective loan, state or federal, is not to exceed 4%.	N/A
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BEECH MOUNTAIN Water \$2,913,265 G.S. 159G-22 Revolving Loan	2022 Water System Rehabilitation Project will replace approximately 22,700 LF of 2-inch, 4-inch and 6-inch galvanized-steel pipes which have leaking joints and service line connections, with new 6-inch CL-350 ductile-iron waterlines; replace twenty-three (23) existing fire hydrants with new fire hydrants and install other associated appurtenances.	This project is necessary and expedient as it addresses the failing water distribution lines which is resulting in water loss. Water loss is estimated to be 62% of the water produced at the treatment plant based on the 2020 AWWA water audit.	Cost estimated by David W. Poore, PE, West Consultants, PLLC	The Town's Finance Department was short-staffed during the summer. The issues were not Covid related. Supporting documents were not able to be located during audit fieldwork were missing. The documents were all located after the audit was completed. The Town is storing audit documentation electronically now. Reponse is satisfactory.	The projection of net revenues prepared by the unit indicates that future revenues will be adequate and debt service. Current Rates (5,000 gal): Water: \$54.96 Sewer: \$54.96 Expected rates at the end of the project (gals) Water: \$54.96 Sewer: \$54.96	Loan from the State of North Carolina Terms: 20 years The rate established under this program for the respective loan, state or federal, is not to exceed 4%.	N/A
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LAURINBURG Drinking Water \$4,515,000 G.S. 159G-22 Revolving Loan	Distribution System Improvements Project Phase 2: Replace approximately 10,700 LF of 20 inch asbestos cement transmission main with same diameter ductile-iron pipe. Install approximately 500 LF of 16 inch ductile-iron pipe and approximately 900 LF of 12 inch ductile-iron transmission main to the existing distribution system and install 5 new flushing hydrants. Replacement of the aforementioned items provide a 20 year expected life cycle.	This project is necessary and expedient as the water main is an asbestos cement pipe that was installed in 1978 making it obsolete. Additionally 63% of the valves in the finished water distribution are aged beyond their rated life and 59% are in poor condition. As approximately 8M gallons of finished water are conveyed daily through the system, breakage and/or leaks will leave the residents of the City of Laurinburg and Scotland County's water districts without water or under a "boil water" advisory while repairs are made.	Cost estimate provided by Willis Engineers; Jim C. Stowe, P.E.	The Town's Electric Fund reported unrestricted cash as a % of total expenses, of 12.57%. The LGC minimum for this metric is 16% or two months of expenses. The Town funded an electric fund capital project with operating cash. The project is now complete, and they expect the cash balance of the fund to improve. Response is satisfactory.	The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service with the estimate of a 4.4% increase in fees to \$51.34 Current Rates: 5,000 gal. Water/Sewer: \$49.20 Water only: \$20.02	Loan from State of North Carolina Term: 20 years The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%.	N/A
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UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE							
CAROLINA BEACH \$3,250,000 160A-20 Installment Contract Private Placement	Purchase of Freeman Park which is approximately 300 acres of real property for use as open space located at the north end of Carolina Beach. <u>Expected Sources and Uses of Funds:</u> Uses: Loan Proceeds \$ 3,250,000 Available Cash \$ 2,650,000 Occupancy Tax Rev. \$ 1,100,000 Total Sources \$ 7,000,000 Uses: Purchase Price \$ 7,000,000 Total Uses \$ 7,000,000	Necessary and expedient to carry out a governmental function and to encourage, foster and operate and provide parks by acquiring open space.	Appraisal is in hand and values the property at \$9,230,000	No major deficiencies. No defaults noted.	No tax increase is anticipated. The debt service will be paid from the General Fund.	Bank: Truist Bank Amount \$ 3,250,000 Approval Rate: 2.300% Term (years): 10 Market Rate: Structure: Semi -annual principal and interest payments. Bank placement will not be rated. Current G.O. ratings: S&P N/A Moody's: N/A Installment purchase structure is more timely and feasible than G.O.							
						Debt Ratios-Excluding Enterprise Funds							
						To Property Values Before After Per Capita Before After							
Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate						
Land Acquisition	6,152	\$ 3,250,000	2/22/2022	\$ -	\$ 2,952,300,000	\$ 7,137,224	\$0.215	0.24%	0.35%	\$ 1,160	\$ 1,688		
										New Hanover Co.		\$	1,650

CLINTON CITY BOARD OF EDUCATION \$2,670,300 Equipment G.S. 160A-20 Installment Purchase Guaranteed Energy Savings Contract (GESG) Private Placement	Installation of energy conservation measures (ECMs) at school system facilities. ECMs are primarily lighting upgrades, chiller upgrade, boiler replacements, building automation system retro-commissioning; solar array; metal roof installation; HVAC and heat pump installation; new network unitary controls; and refurbish cooling tower. Total estimated cost: \$ 2,670,300 Total Guaranteed Savings: \$ 3,821,579 Total estimated savings: \$ 3,993,701	Necessary and expedient to improve operating profiles, reliability and reduce operating costs of the facilities. The energy savings over the period of the contract are guaranteed to equal or exceed the total costs of the improvements.	Cost estimates and guaranteed savings reviewed by the professional engineering firm of Locklear, Locklear & Jacobs, PLLC; Jonathan Locklear, PE. The energy savings over the period of the contract are guaranteed to equal or exceed the total costs of the improvements.	No major deficiencies. No defaults noted per the most recent annual report.	No tax increase is anticipated. Energy savings will service the debt.	Vendor: CMTA Energy Solutions Lender: Bank of America Amount: \$ 2,670,300 Term: 18 years Annual payments sized to accommodate the savings realization pattern. Rate: 2.95%
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UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE	MARKETABILITY
FUQUAY-VARINA \$38,500,000 General Obligation Bonds	\$18,500,000 Parks & Recreation: To acquire, construct, improve and expand park and recreation facilities including construction of a new Community Center/Adult Activity Center in an existing park. \$20,000,000 Transportation: To construct, reconstruct, widen and improve street and sidewalk facilities, including adding traffic lanes, medians, intersection improvements, realigning and relocating streets to relieve traffic congestion and improve safety.	Fuquay-Varina has experienced steady growth and the trend is projected to continue into the foreseeable future.	Cost estimates provided by consulting architects for the Community Center/Adult Activity Center (HH Architecture) and by the Town engineer for the transportation projects.	No major deficiencies. No defaults noted.	A tax rate increase of up to 5.5¢ is anticipated.	Bond Counsel: Sanford Holshouser	Moody's: Aa1 S&P: AAA (Expected Ratings)

Purpose	Estimated Census	Amount	Election Date	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Debt Ratios-Excluding Enterprise Funds				
							Tax Rate	To Property Values Before	To Property Values After	Per Capita Before	Per Capita After
\$18,500,000 Parks & Recreation	34,604	\$ 38,500,000	11/2/2021	\$ 8,650,000	\$ 4,767,365,728	\$ 32,705,000	\$ 0.3950	0.87%	1.68%	\$ 1,195	\$ 2,308
\$20,000,000 Transportation											
\$38,500,000										Wake County	\$ 1,926

HIGH POINT \$5,300,000 General Obligation Bonds Parks and Recreation (Two-thirds net debt reduction)	To provide funds to pay a portion of the costs to make improvements to recreation facilities at the City Lake, including pool renovations, gym and office space renovations, accessibility improvements and renovations to outdoor facilities.	Necessary and expedient to meet City needs by updating aging facilities.	Cost estimates provided by consulting architects (HH Architecture) and Samet Construction (CMAR).	No major deficiencies. No defaults noted.	A tax increase is not anticipated for these bonds.	<u>Approvals:</u> Amount not to exceed: \$5,300,000 Term: Not to Exceed 20 years (level principal amortization) Sale: Competitive sale Sale Date: On or about April 19, 2022 <u>Financing Team:</u> Bond Counsel: Parker Poe Adams & Bernstein LLP Financial Advisor: Davenport & Company LLC	Moody's: Aa1 S&P: AAA Fitch: AA+ (Expected Ratings)
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Purpose	Estimated Census	Amount	Election Date	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Debt Ratios-Excluding Enterprise Funds				
							Tax Rate	To Property Values Before	To Property Values After	Per Capita Before	Per Capita After
Parks and Recreation	114,271	\$ 5,300,000	N/A ⁽¹⁾	\$ 50,000,000	\$ 10,281,161,755	\$ 101,255,000	\$ 0.6475	1.47%	1.47%	\$ 1,324	\$ 1,370
										Guilford County	\$ 970

⁽¹⁾ Election not required pursuant to G.S. 159-49.

MORRISVILLE \$1,110,000 General Obligation Bonds (Two-thirds net debt reduction)	To provide funds to pay a portion of the costs of acquiring new Public Safety radio equipment and/or a portion of the cost overruns of the Harris Mill Road Fire Station project.	Necessary and expedient to meet Town needs.	Cost estimates provided by Town professional staff.	No major deficiencies. No defaults noted.	A tax increase is not anticipated for these bonds.	<u>Approvals:</u> Amount not to exceed: \$1,110,000 Term: Three-year blended maturities Sale: Competitive sale Sale Date: April 26, 2022 <u>Financing Team:</u> Bond Counsel: Womble Bond Dickinson (US) LLP Financial Advisor: Davenport & Company LLC	S&P: AAA Moody's: AAA Fitch: AAA (Expected Ratings)
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Purpose	Amount	Estimated Census	Election Date	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Debt Ratios-Excluding Enterprise Funds				
							Tax Rate	To Property Values Before	To Property Values After	Per Capita Before	Per Capita After
Public Safety Improvements	\$ 1,110,000	29,925	N/A ⁽¹⁾	\$ 37,000,000	\$ 6,380,169,989	\$ 24,270,000	\$ 0.3600	0.96%	0.98%	\$ 2,047	\$ 2,085
										Wake County	\$ 1,926

⁽¹⁾ Election not required pursuant to G.S. 159-49.

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY/TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE	MARKETABILITY
HIGH POINT \$20,000,000 G.S. 159-72 General Obligation Refunding Bonds	All or portion of bonds to be refunded: \$4,095,000 G. O. Refunding Bonds, Series 2012 dated June 28, 2012, with interest rates of 2.5% to 5.0% and an average interest rate of 2.9995%; \$2,885,000 G.O. Public Improvement Bonds, Series 2012 dated June 27, 2012, with interest rates of 2.5% to 5.0% and an average interest rate of 3.034%, and an \$11,935,000 G.O. Refunding Bond, Series 2020 dated March 19, 2020 with an interest rate of 1.70%.	Necessary and expedient to provide savings on the outstanding issue.	Amount is adequate to redeem debt.	No major deficiencies. No defaults noted.	Debt service will be significantly reduced for the 2012 Bonds.	<u>Structure:</u> Current refunding: Expected net present value savings of \$196,717 or 6.82% of the refunded bonds for the 2012 Public Impr. Bonds; NPV savings of \$103,772 or 2.53% for the 2012 Refunding Bonds, and \$32,621 or 0.27% for the 2020 Refunding bonds (as of 3-1-2022). The refunding bonds will be structured with no extension of maturities, with the final maturity on 3-1-2032. Average savings are calculated at approximately \$40,500 annually. Sale: Competitive Sale Sale Date: On or about April 19, 2022 <u>Approvals:</u> Amount: Not to exceed \$20,000,000 Final Maturity: March 1, 2032 <u>Financing Team:</u> Bond Counsel: Parker Poe Adams & Bernstein LLP Financial Advisor: Davenport & Company LLC	Current G.O. Ratings: Moody's: Aa1 S&P: AAA Fitch: AA+ (Expected Ratings)

Purpose	Estimated Census	Amount	Election Date	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	Debt Ratios-Excluding Enterprise Funds			
								To Property Values		Per Capita	
								Before	After	Before	After
Refunding	114,271	\$ 20,000,000	N/A	\$ 50,000,000	\$ 10,281,161,755	\$ 101,255,000	0.6475	1.47%	1.48%	\$ 1,324	\$ 1,333

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p>HOUSING AUTHORITY OF THE CITY OF DURHAM Housing Authority of the City of Durham Multifamily Housing Revenue Bonds (JFK Towers), Series 2022 G.S. 159-148; 159-153</p> <p>Not to exceed \$19,000,000 the proceeds of the bonds will be loaned to JFK Towers NC TC, LP a limited partnership, or an affiliated or related entity (the "Borrower") and used to finance a portion of the cost of the acquisition, rehabilitation and equipping of JFK Towers, consisting of 177 units located on approximately 5.73 acre site at 4900 Old Farm Road in the City of Durham, NC. JFK Towers is an existing multifamily, seven-story, single building development built in 1981. It has operated as an affordable housing development since it was built, with 177 one-bedroom units serving elderly (62+) and disabled residents. JFK Towers had a HUD Section 8 Housing Assistant Payment Contract since 1982. In 2019 a Millennia-related entity acquired the Towers and agreed to a long-term extension of the HUD Section 8 Contract. 100% of the units will be set aside for households earning no more than 30% to 60% of area median income.</p> <p>The property will undergo a substantial rehabilitation that will focus on, among other things: replacing all unit's kitchens, baths, flooring, new paint, new individual heating/ptac units and dishwashers. The project will also include significant upgrades to all common areas including elevators, community rooms, landscaping and exterior upgrades to ensure a safe and uplifting environment for the residents.</p> <p>All units will benefit from Low Income Housing Tax Credits ("LIHTC") and from Project Based Rental Assistance ("PBRA") with tenant paid rents based on a percentage of income.</p>	<p>Durham Housing Authority has found that the project is necessary to continue to provide an adequate supply of affordable housing for residents of the City.</p> <p>JFK Towers includes 1 bed-room units which include 12 mobility impaired units.</p>	<p>The developer has provided a Market Study and pro forma which support the valuations.</p> <p>The issuer has found that the debt to be incurred in connection with the project is adequate but not excessive.</p> <p>In addition, the Rental Investment section of the NCHFA has reviewed this information and has found it to be reasonable.</p>	<p>The developer has provided 20-year cash flow projections that show debt service coverage for the bonds will range from 1.26X to 1.49X.</p> <p>The lenders have performed their own credit review.</p>	<p>No defaults noted. No major deficiencies.</p>	<p>Private Placement</p>	<p>Term: Approx. 18 years; 40 year amortization</p> <p>LIBOR Floor: 18 year LIBOR floor of 0.95%. Fixed Interest Rate: a fixed interest rate will be determined by the Bond Investor based on market rates when bonds are purchased. The interest rate will be based on 1) the greater of the yield on the 18-yr LIBOR swap rate or LIBOR Floor plus 2) a spread of approximately 300 bp (3.00%).</p> <p>Structure: Approximately level debt service</p> <p>APPROVALS Amount: Not to exceed \$19,000,000 Final Maturity: Not to exceed December 31, 2062 Interest Rate: Tax-exempt not to exceed 12.0%</p> <p>FINANCING TEAM Bond Counsel: McGuireWoods LLP Authority's Counsel: The Banks Law Firm, P.A. Borrower: JFK Towers NC TC, LP Borrower's Counsel: Ellinger & Carr PLLC Trustee: The Huntington National Bank Purchaser: Deutsche Bank Securities, Inc. Purchaser's Counsel: Kutak Rock LLP Placement Agent: Jefferies LLC Placement Agent's Counsel: Ballard Spahr LLP Servicer: Berkadia Capital Mortgage LLC Servicer's Counsel: Kutak Rock LLP Tax Credit Investor: Aegon LIHTC Fund 62, LLC Tax Credit Investor's Counsel: Holland & Knight LLP</p>

<u>Initial Sources of Funds</u>	
First Mortgage	\$ 17,300,000
Limited Partner Equity	\$ 10,154,219
Seller Note	\$ 3,000,000
Interest on Seller Note [4.5%]	\$ 225,000
Construction period income	\$ 3,166,657
City of Durham 2nd Mortgage [TBD]	
Deferred Develop Fee	\$ 1,233,450
Total Sources	\$ 35,079,326

<u>Uses of Funds:</u>	
Acquisition	\$ 16,500,000
Construction	\$ 9,738,141
Architectural & Engineering	\$ 488,279
Legal	\$ 160,000
Closing Cost	\$ 706,194
Financing Fees	\$ 2,061,583
Tax Credit Agency Fees	\$ 511,795
Owner Cost	\$ 2,213,334
Developer Fee	\$ 2,700,000
Total Uses	\$ 35,079,326

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
CITY OF HIGH POINT						
Combined Enterprise System Revenue Bonds, Series 2022 G.S. 159; Article 5	The project is necessary and expedient to provide financing of the City's water and sewer capital improvements in order to better serve and provide for the continued growth in the City and to maintain assets in serviceable conditions.	82% of the projects are bid and are under construction or complete.	A feasibility study has been completed by Willdan Financial Services and the substantially complete version of the document demonstrates required coverages of debt service coverage available as defined in the bond covenants of at least 1.73X on total system debt and at least 2.00X on parity indebtedness through 2027.	No major deficiencies. No defaults noted.	2022 Tax-Exempt Fixed Rate Bonds sale will be on April 27, 2022 in denominations of \$5,000 and any whole multiples thereof. Bonds are expected to be rated, Moody's: Aa2 S&P: AAA Fitch: AA+	Term: 24 years with 1 year of interest only Interest Rate: Fixed Structure: Amortization and related total debt service of the financing has been structured to produce a level debt service profile for the amount financing current projects. Expected All-in True Interest Cost: 3.02% Expected Underwriters Fee: Not to exceed \$4.68/\$1000
Amount not to exceed: The proceeds of the bonds will be used to provide funds to a) finance and complete several of the City's water and sewer projects. Projects expected to be funded: Richland Creek Sewer Outfall Lines Replacement Registers Creek Lift Station Expansion Riverdale West Force Main Sewer Lift Station Eastside UV Disinfection System Replacement	\$ 40,000,000					
			These calculations are made using a conservative coverage formula and any subsequent changes to the feasibility document are expected to be inconsequential. Average residential monthly water and sewer bill is \$73.20 based on usage of 5,000 gallons with an assumed average 4.0% annual rate increase through 2027.			APPROVALS Amount not to exceed: \$40,000,000 Final maturity: Not beyond 2046 True Interest Cost: Not to exceed 4%
Total Projects:	\$ 37,244,691					
b) fund any necessary debt service reserve fund for the 2022 bonds and c) pay the fees and expenses incurred in connection with the sale and issuance of the 2022 Bonds.						FINANCING TEAM: Bond Counsel: Parker Poe Adams & Bernstein LLP Senior Underwriter: Wells Fargo Bank, N.A. Co-Manager: Loop Capital Markets, LLC Underwriters Counsel: Holland and Knight LLP Registrar/Trustee: U.S. Bank Trust Company, National Association Trustee Counsel: McGuireWoods LLP Financial Advisor: Davenport & Company, LLC Feasibility Consultant: Willdan Financial Services
Sources: Par Amount Premium	\$ 31,765,000 \$ 6,031,940					
Total Sources:	\$ 37,796,940					
Uses: Project Fund Cost of Issuance Underwriter's Discount Other Uses of Funds (Contingency (COI or Bond Fund)	\$ 37,244,691 \$ 400,000 \$ 148,725 \$ 3,524					
Total Uses:	\$ 37,796,940					

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p>NORTH CAROLINA HOUSING FINANCE AGENCY (NCHFA) - \$6,000,000 Multi-family Housing Revenue Bonds, (Five Points Crossing, LP), Series 2022 G.S. 122A-8</p> <p>The proceeds of the bonds will be used to provide funds to finance the acquisition, construction, improvement, equipping and furnishing of a 50-unit apartment complex located in Rocky Mount, NC. Five Points Crossing, LP (the "Borrower") is a North Carolina limited partnership.</p> <p>The bonds are to be issued as a "draw down" bond in which the principal amount of the bonds will increase from time to time. The aggregate principal amount of the bonds is expected not to exceed \$6,000,000 and will mature no later than 7 years after their date of issuance.</p> <p>The project will be eligible for low income housing tax credits (LIHTC) credits being built in accordance with specifications provided in the application for LIHTC and adhering to the Land Use Restriction Agreement (LURA).</p>	<p>The NCHFA has found that the project is necessary to provide safe, affordable housing opportunities for low- to moderate-income residents.</p> <p>The project is subject to tax requirements, 100% of which will be subject to income and rental restrictions.</p>	<p>The developer has provided appraisals, construction cost estimates, Phase I environmental studies, and market studies which support the valuations thereof.</p> <p>The NCHFA Rental Investment Section has reviewed the above and the adequacy and cost of the proposed project and found it to be reasonable.</p>	<p>The developer has provided 20 year cashflow pro forma projections that show debt service coverage to begin at 2.08X and end at 1.22X.</p>	<p>No deficiencies. No defaults noted.</p>	<p>Private Placement</p>	<p>Term: Not to exceed 7 year maturity. Structure: Bonds may be redeemed as the project is completed. Interest Rate: Variable Rate</p> <p style="text-align: center;">APPROVALS</p> <p>Amount: Not to exceed \$6,000,000 Final Maturity: Not to Exceed 7 years after their date of issuance Maximum Variable Rate: Tax-exempt not to exceed 20%</p> <p style="text-align: center;">FINANCING TEAM</p> <p>Bond Counsel: Womble Bond Dickinson (US) LLP Borrower: Five Points Crossing, LP Developer: Woda Cooper Development Inc. & The Woda Group, Inc. Developer Counsel: Reno Cavanaugh PLLC Financial Advisor: Caine Mitter & Associates Inc. Investor: Merchants Capital Investor Counsel: Barnes & Thornburg LLP Construction Lender: MBI Construction Lender Counsel: Dinsmore & Shohl LLP Permanent Lender: Riverhills Permanent Lender Counsel: Bricker & Eckler LLP Title: Pease Law Office</p>

Sources of Funds

Bonds	\$	4,700,000
First Soft Debt Mortgage-CDBG	\$	3,555,563
Investor Equity	\$	385,214
Fees/Other	\$	736,362
Total Sources	\$	9,377,139

Uses of Funds:

Development Costs	\$	8,640,777
Developer Fees	\$	540,000
Operating Reserve	\$	15,000
Asset Management Fees	\$	143,902
Construction period interest	\$	37,460
Total Uses	\$	9,377,139

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY/TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE	MARKETABILITY
BURNSVILLE Water \$1,003,013 G.S. 159G-22 Revolving Loan	Water Treatment Plant (WTP) Improvement 1) construct a 50k-gal equalization basin and associated piping/valves; 2) construct 4- 4" diameter manholes between the existing filter building and proposed equalization basin; 3) Install approx. 1,125 LF of 6" PVC piping from the proposed equalization basin to the Town's sewer system via high-velocity manhole; 4) modify improve and repair sedimentation basin structure; 5)replace the filter media; 6) modify raw-water piping and finished-water storage-tank piping; and 7) replace or repair flow meter and flow control valve to allow throttling of the raw-water pumps.	This project is necessary and expedient because the treatment process for handling coagulant sludge generated by filter backwashing and sedimentation basin cleaning is nonfunctional. Consequently, the WTP discharges wastewater that exceeds its chlorine and total suspended solids limits. Additionally, the WTP contains aging infrastructure in repair or repair or need of replacement.	Cost estimate provided by McGill Associates; Michael T. Dowd, P.E.	No major deficiencies No defaults noted	The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations. Current Rates: 3,000 gal. Water in City: \$22.80 Water outside City: \$45.60 Water in City: \$22.80 Water outside City: \$45.60	Loan from State of North Carolina Term: 20 years The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%.	N/A
HENDERSON Water \$2,542,553 G.S. 159G-22 Revolving Loan	This project will rehabilitate approximately 15,000 linear feet of gravity sanitary sewer and 103 manholes in the Sandy Creek sewer sub-basin. Pipe diameters that will be rehabilitated will range in size from 8-inches to 24-inches. Previous limited evaluations of portions of the sub-basin were performed utilizing the City's SL-RAT equipment as a part of an AIA grant from NCDEQ-DWI. The first phase of the rehabilitation will address known issues that were identified in those evaluations. The second phase of the rehabilitation work will utilize a Find-it/Fix-It approach on similarly high-priority areas to rehabilitate and increase the resiliency of portions of the gravity sewer system.	This project is necessary and expedient in that it will allow Henderson to correct as many urgent problems as possible that contribute directly to chronic SSOs and to rehabilitate infrastructure that is over 40 years old.	A certified cost estimate has been provided by Anita E. Robertson, PE with WK Dickson engineering firm.	No major deficiencies No defaults noted	The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service. The current monthly cost for an average residential customer water/sewer is bill \$53.65 for 3,740 gallons.	Loan from State of North Carolina Term: 20 years The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%.	N/A
KINSTON Water \$358,150 G.S. 159G-22 Revolving Loan	NC Global Transpark (NCGTP) Terminal Waterline Replacement Project: 1) replace approximately 2,340 LF of 8" diameter CIP waterline with 8" C900 PVC; 2) Replace approximately 760 LF of 6" diameter CIP waterline with 8" C900 PVC; 3) Replace approximately 2,340 LF of 8" CIP waterline with 12" C900 PVC; and replace 14 fire hydrants, associated valves and appurtenances.	This project is necessary and expedient as an evaluation of the water system operation determined the water pressure is insufficient to perform at a sustained rate for the newly announced economic developments to be started at the NCGTP and to address customer complaints of a drop in water pressure during flushing operations. In addition to the low pressure there are concerns about severe corrosion and tuberculosis issues.	Cost estimate provided by Stephen W. Miller, P.E	No major deficiencies No defaults noted	The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations. Current Rates: 5,000 gal. Water: \$41.86 Sewer: \$46.35	Loan from State of North Carolina Term: 20 years The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%.	N/A
SELMA Water (Wastewater) \$2,515,000 G.S. 159G-22 Revolving Loan CS370561-04	This project consists of the relocation of the Brack Wilson Park pump station, raising it above the 100-year flood elevation. Repairing the Campground pump station leaking wet well. Repairing the NASSCO level 4 & 5 defects within the gravity sewer collection system areas known as sub basins 16, 11, 17 & 8. All replacements are like for like sizes and no increases will be made in size or capacity.	Necessary and expedient to rehabilitate the highest priority pump stations and sewer lines, will decrease collection system maintenance, pumping cost, and wastewater fees paid to Johnston County. Currently the Town of Selma struggles with high wastewater cost charged by Johnston County based on flows due to large amounts of inflow and infiltration (I/I) into the sanitary sewer collection system. A previous I/I study showed a significant increase in sewer flow during and after a large rainfall event. More flow into the sewer collections system causes more run time, more wear and tear on pumps and other equipment, more electricity usage, and higher operation and maintenance cost.	Cost estimated provided by WithersRavenel.	No major deficiencies No defaults noted.	The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service with the estimate of a 12% increase in fees. Current Rates (4,000 gal.): Water: \$32.53 Sewer: \$62.00 Expected Rates after completion of the project: Water: \$36.43 Sewer: \$69.44	Loan from State of North Carolina Terms: 20 years The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%.	N/A

MISCELLANEOUS:
CHARLOTTE HOUSING AUTHORITY - INLIVIAN
Grier Heights Seniors

(ACTION ITEMS):

The financing was approved by the LGC on or about May 1, 2018. This deal was structured as a private placement with Citibank. Citibank is requesting to amend the Funding Loan Agreement (FLA) in order to facilitate a future securitization of this loan. Citi is requesting that we amend the FLA to allow for transfers to (i) a governmental entity or (ii) a trust or custodial arrangement established by a governmental entity, as long as any beneficial interests that are issued and secured by the loans are either (a) rated BBB or higher (investment grade) or (b) purchased by a qualified institutional buyer (QIB).

GREENVILLE

The City of Greenville and the following fire departments have requested approval of annexation payment schedules developed in accordance with G.S. 160A-31.1, whereby the City will make lump sum payments for the City's proportionate share of outstanding debt as follows:

<u>Volunteer Fire Depart.</u>	<u>Effective Annexation Date</u>	<u>Payment Period</u>	<u>Reimbursement</u>
Blackjack Rural FD	2019	2019	\$ 381.25
Eastern Pines Rural FD	2017-2020	2017-2020	\$ 352.00
Red Oak Rural FD	2017-2020	2017-2020	\$ 2,461.00