

LOCAL GOVERNMENT COMMISSION AGENDA  
JULY 12, 2022

1. PLEDGE OF ALLEGIANCE

2. CONFLICT OF INTEREST STATEMENT

3. MINUTES FOR APPROVAL

June 7, 2022 LGC Meeting; June 27, 2022 Special Meeting

**FINAL**

RELATED INFORMATION  
Approximate Per Capita Debt

State: \$ 543  
Federal: \$ 91,838

Unit	Type	Purpose	Amount	Comments	Page Number	Last request to Borrow
<b>FPIC Units</b>						
Boiling Spring Lakes	Financing Agreement	Police Department Headquarters (USDA)	\$ 1,900,000	FPIC	2	FA \$1.6M; 9/2007
Warren County	Revolving Loan	Water	\$ 2,000,000	FPIC	2	FA 9-2017 \$3.9M
<b>BEGIN Consent Agenda</b>						
Stanly County	Financing Agreement	Stanly Community College Tech & Trade Facility	\$ 11,400,000		3	FA 12-2021 \$1.8MM
Woodfin	Financing Agreement	Streets	\$ 2,400,000		3	GO 11/20 \$3m
CarolinaEast Health System	Revenue Bond	Refunding	\$ 52,395,000		4	REV 10-2016 \$60M
Henderson County Hospital Corporation	Revenue Bond	Hospital Projects	\$ 14,100,000		5	REV 11-2020 \$14.5M
Inlivan (FKA Charlotte Housing Authority)	Revenue Bond	Multifamily Housing - Historic Nathaniel Carr	\$ 19,500,000		6	REV 6-2022; \$16M and 26M
Albermarle	Revolving Loan	Sewer	\$ 6,156,000		7	RL 6-2020 \$5.8M
Bessemer City	Revolving Loan	Sewer	\$ 1,350,000		7	FA 3-2022 \$1.3MM
Henderson	Revolving Loan	Water	\$ 31,893,000		8	RL 4-2022 \$2.5M
Oxford	Revolving Loan	Water	\$ 5,500,000		8	RL 2-2022 \$4.8M
<b>MISCELLANEOUS ITEMS</b>						
<b>ACTION ITEMS</b>						
Apex	G.O. Bonds	Extension of Authorization	\$ 7,000,000		9	\$8,700,000 IFA; 10-5-2021
Beech Mountain	Revolving Loan	Loan Increase	\$ 2,094,107		9	RL 4-2022 \$2.9M and \$2.9M
Chapel Hill	G.O. Bonds	Extension of Authorization	\$ 18,800,000		9	\$59,200,000 LOB's; 7-13-2021
High Point Housing Authority	Revenue Bond	Update to bond documents			9	REV 07-2021 \$11M
INLIVIAN - Sugar Creek	Revenue Bonds	Update to bond documents			10	REV 2-2022; \$23M
INLIVIAN - Union at Tryon	Revenue Bonds	Update to the bond documents			10	REV 9-2021; \$20.8M
Salisbury	Misc. Action Item	Volunteer Fire Annexation	\$ 12,321.42		10	R 4-2020 \$40MM
Waynesville	Revolving Loan	Loan Increase	\$ 24,045,000		10	FA 5-2022 \$1.9M

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

**DISCUSSION ITEMS**

Late Audit Units  
East Laurinburg Update

**ATTACHMENT B**  
**ATTACHMENT F**

**UNIT UPDATES**

Eureka  
Cliffside Sanitary District  
Robersonville  
Pikeville  
Kingstown  
Spring Lake  
Units Engaged in Fiscal Accountability Agreements

Action item  
Update  
Update  
Update  
Update  
Update

**ATTACHMENT C**  
Resolution to Appoint FO

Vote Needed

**OTHER ACTION ITEMS**

Uniform Guidance Policies Related to ARPA

**ATTACHMENT D**

Vote Needed

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY/ TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
<b>BOILING SPRING LAKES</b> not to exceed \$2,000,000 Police Headquarters G.S 160A-20 Installment Purchase Contract Private Placement	The purchase of a 2,617 sq. ft. former bank building for renovation as a City Police Department headquarters and addition of approximately 2,500 sq. ft. of building space for other essential functions.  After Construction, USDA will provide 30 year financing with an annual rate of 2.25%.  <b>Expected Sources and Uses of Funds</b> <u>Sources:</u> Bank Loan: _____ \$1,900,000 Total Sources: _____ <u>\$1,900,000</u>  <u>Uses:</u> Construction Cost: \$1,228,036 Equipment: \$80,000 Building and Land \$300,000 Other Legal/Fiscal Cost \$129,000 Contingency \$162,964 Total Uses: _____ <u>\$1,900,000</u>	Necessary and expedient to meet the public safety needs of the city The current building was built in 1967 to be the City Hall and now houses the police department. It is not properly equipped or constructed to be used effectively as a police station.	This project has a Design-Builder, Samet Corporation, with a Guaranteed Maximum Price (GMP). Supporting subcontractor bids in hand.  Land/building appraisal received. Leslie W. Shoaf, Certified Appraiser.	The Town reported two Financial Performance Indicators of Concern (FPICs) from the audit for the FYE 2021. 1) The Fund Balance Available (FBA) as of June 30, 2021 was less than that of the Town's peers. 2) The Town's financial statements were not submitted until January 1, 2022. The Town provided a satisfactory response.	No tax increase is anticipated. General Fund revenues will provide for debt service.	<b>Construction Period Funding:</b> Bank: Truist Bank Approval Rate: not to exceed 2.42% Term: not to exceed 12 months; due date April 1, 2023 Payment: annual interest payments with principal due at maturity  <b>Permanent Funding:</b> Lender: USDA Interest Rate: 2.25% Term: 30 years beginning April 1, 2024 Payment: annual interest and principal  Installment purchase contract is more timely than issue of G.O. Bonds  <b>Financing Team:</b> Bond Counsel: Sanford Holshouser Financial Advisor: Davenport Public Finance Lender's Counsel: Pope Flynn, LLC Lender: Truist Financial Corporation

Purpose	Estimated Census	Amount	Public Hearing	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
Police Headquarters	5,980	1,900,000	June 7, 2022		548,942,952	620,000	0.282	0.00113	0.00459	103.68	421.40

<b>WARREN COUNTY</b> Water \$2,000,000 G.S. 159G-22 Revolving Loan Project No. H-SRP-D-17-0152	The Kerr Lake Regional Water System's Water Treatment Plant (WTP) Upgrades project is designed to expand the WTP's capacity from 10 MGD to 20 MGD and enhance its treatment processes, to include: 1) Replace the existing clarification system; 2) Replace the anthracite media in the existing gravity filters with activated carbon; 3) Install four (4) additional gravity filters; 4) Install a powdered activated carbon (PAC) slurry system; 5) Install a new cleanwell to increase disinfectant contact-time; and 6) Make miscellaneous improvements to the chemical storage, instrumentation, and controls throughout the WTP.	The KLRWS Water Treatment Plant has been in operation for over 40 years. The project will expand the treatment capacity from 13.97 mgd to 20 mgd and rehabilitate and replace equipment and structures that are beyond their service life.	CDM Smith is the design-builder for this project and has provided a Guaranteed Max Price (GMP) cost summary for this multi-unit coordinated project.	The County reported several FPICs from the audit for the FYE 2021. 1) The financial statements were not submitted until January 31, 2022. 2) and 3) Several funds were not budgeted for FYE 2021 that should have been, as a result of an accounting standards change. This was the reported statutory violation of NCGS 159-8(a). 4) The County lacked required accounting resources and expertise in Finance and did not properly account for the health insurance self-insurance in an internal service fund. The County's response to the FPICs was 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. The County anticipates a 5% rate increase for water only rates by the end of the project for an expected average monthly water and sewer bill of \$70.00 for 3,000 gallons. The repayable State SRP loan will bear a zero-percent interest rate. A \$3,000,000 State SRP grant has been awarded to complement the SRP loan.	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%.
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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
<b>STANLY COUNTY</b> \$11,400,000 Stanly Community College Tech & Trade Facility G.S. 160A-20 Installment Purchase Contract Private Placement	This project consists of the construction of an educational trades facility located on the campus of Stanly Community College. This building will be a one-story, 33,210 square foot facility located on an approximate 3.6 acre portion of a larger 58.97 acre parcel.	Necessary and expedient to provide classrooms for heavy equipment operations, industry flex lab, HVAC systems, Welding technology, machining, electrical line worker, electronics, and building trades.	Bids in hand.	Any FPICs reported by this unit in the most recent audit were immaterial.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: First Bank Approval Rate: 3.08% Term: 20 Years Payment: Annually S&P: AA- Moody's: Aa3  Installment purchase contract is more timely than issue of G.O. Bonds

Sources:

Loan:	\$	11,400,000
Total Sources:	\$	<u>11,400,000</u>

Uses:

Construction Cost:	\$	10,932,615
Special Counsel Fees:	\$	7,500
Contingency	\$	459,885
Total Uses:	\$	<u>11,400,000</u>

Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	Debt Ratios-Excluding Enterprise Funds			
								To Property Values Before	After	Per Capita Before	After
Community College	61,588	\$ 11,400,000	5/16/2022	\$ -	\$ 5,249,812,360	\$ 17,428,972	\$0.67	0.33%	0.55%	\$ 283	\$ 468

**WOODFIN**  
\$2,354,000  
160A-20  
Installment Contract  
Private Placement

Repair and resurface multiple Town streets.

Necessary and expedient to maintain and improve street conditions.

Bids are in hand.

No significant deficiencies or defaults noted.

No tax increase is anticipated. The debt service will be paid from the General Fund and Powell Bill proceeds.

Bank: Truist Bank  
Amount: \$ 2,354,000  
Approval Rate: 3.190%  
Term (years): 15  
Structure: Annual principal and semi-annual interest payments.

Bank placement will not be rated. Current G.O. ratings:  
S&P: N/A  
Moody's: N/A

Expected Sources and Uses of Funds:

Uses:

Loan Proceeds	\$	2,354,000
Powell Bill Reserves	\$	251,844
Powell Bill FY 2022	\$	233,957
Powell Bill FY 2023	\$	233,957
Total Sources	\$	<u>3,073,758</u>

Uses:

Project Cost	\$	3,019,758
Cost of Issuance	\$	54,000
Total Uses	\$	<u>3,073,758</u>

FINANCING TEAM  
Bond Counsel: Parker Poe Adams & Bernstein LLP  
Financial Advisor: First Tryon Advisors  
Bank Counsel: Pope Flynn, LLC  
  
Installment purchase structure is more timely and feasible than G.O.

Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	To Property Values		Per Capita	
								Before	After	Before	After
Streets	7,936	\$ 2,354,000	N/A	\$ 1,500,000	\$ 1,119,381,215	\$ 4,842,678	\$0.330	0.57%	0.78%	\$ 799	\$ 1,096

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p><b>CAROLINAEAST HEALTH SYSTEM</b> Healthcare System Revenue Refunding Bond, Series 2022 G.S. 131E-26 Amount not to exceed: \$ 52,395,000</p> <p>Location: New Bern, North Carolina (Craven County) Licensed beds: 350</p> <p>The Series 2022 Bond will be issued to refund the \$52,395,000 aggregate outstanding principal amount of the Series 2016 Bond maturing in 2046. The Series 2016 Bond was issued to fund the construction for expansion, renovation and equipping of various improvements to the Health System. The Authority will pay from its own funds all fees and expenses incurred in connection with the sale and issuance of the Series 2022 Bond.</p> <p><b>Sources:</b> Bond Proceeds: Par Amount \$ 52,395,000 CarolinaEast Contribution <sup>(1)</sup> \$ 315,000 Total Sources \$ <u>52,710,000</u></p> <p><b>Uses:</b> Refunding \$ 52,395,000 Cost of Issuance <sup>(1)</sup> \$ 315,000 Total Uses \$ <u>52,710,000</u></p> <p>(1) Estimated as of June 15, 2022.</p>	<p>Necessary and expedient to refund the Series 2016 Bond due to the cessation of the LIBOR index and to extend the mandatory redemption at the direction of the bondholder.</p>	<p>Amount of \$52,395,000 is adequate to refund the CarolinaEast Series 2016 Bond.</p>	<p>The Authority has provided projections showing estimated debt service coverage of at least 16.34 times for 2022 and at least 10.71 times through 2026.</p> <p>Historical 3 years of days-of-cash-on-hand averaged 370 days.</p>	<p>No major deficiencies. No defaults noted.</p>	<p>Direct Placement with Truist Bank of the Series 2022 Bond is currently scheduled to close on August 1, 2022.</p>	<p>Term: Approximately 24 years, 10 year hold period</p> <p>Interest Rate: Variable Series 2022 Bond (Tax -Exempt): 79% x Daily Simple SOFR + 0.82 %</p> <p>Structure: Approximate level debt service</p> <p>APPROVALS: Principal amount not to exceed \$52,395,000 Final maturity not to exceed: Nov 1, 2046 Initial interest rate not to exceed: 6.00 %</p> <p>FINANCING TEAM Bond Counsel: Womble Bond Dickinson (US) LLP Authority Counsel: Sumrell Sugg, P.A. Bond Purchaser: Truist Commercial Equity, Inc. Bond Purchaser Counsel: Moore &amp; Van Allen, PLLC Trustee: Truist Bank Trustee Counsel: Alston &amp; Bird Financial Advisor: Cain Brothers, a Division of Keybanc Capital Markets</p>

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p><b>HENDERSON COUNTY HENDERSON COUNTY HOSPITAL CORPORATION D/B/A MARGARET R. PARDEE MEMORIAL HOSPITAL ("PARDEE-UNC HEALTHCARE")</b> North Carolina Taxable Hospital Revenue Bond (Margaret R. Pardee Memorial Hospital Project), Series 2022A G.S. 159; Art. 5</p> <p>Amount not to exceed: \$ 14,100,000 Location: Hendersonville, North Carolina Licensed beds: 222</p> <p>The Bonds are to be issued for the purpose of providing funds to reimburse Margaret R. Pardee Hospital and Henderson County Hospital Corporation for certain prior capital improvements for the Margaret R. Pardee Memorial Hospital Projects. The Projects consist of the (1) acquisition and/or updates to the O-Arm O2 Base System, (2) acquisition and/or capital expenditure for the following structures: three buildings on Fleming Street in Hendersonville, the Hawk Brown Building, a modular building in Brevard and the Brevard UC/PC/PT facilities, (3) relocations and updates to various specialist suites and buildings, (4) the purchase of various equipment, including, without limitation, nuclear med camera and a globus spine robot, (5) various other capital expenditures (collectively, the "Projects"), all for use by the Hospital and (6) pay the costs of issuing the 2022A Bonds.</p>	<p>Necessary and expedient to provide the citizens of Henderson County with adequate and reliable medical care.</p>	<p>Construction for all Projects is 100% complete.</p>	<p>Pursuant to the Master Trust Indenture, the bonds will be paid and secured by the Net Revenues of the Hospital system. A projection of net revenues available for debt service and requirements based on maximum annual debt service was prepared by the First Tryon Advisors and reviewed by the Hospital's finance staff presenting Debt Service Coverage of at least 4.83 times for 2023 and at least 5.18 times through 2027.</p>	<p>No major deficiencies. No defaults noted.</p>	<p>Direct Placement with First Citizens Bank &amp; Trust Company of the Series 2022A Bonds are currently scheduled to close on July 19, 2022.</p>	<p>Term: approximately 20 years, maturing June 1, 2042</p> <p>Interest Rate Series 2022A: Taxable Fixed Rate: 4.57% All-in True Interest Cost: 4.69%</p> <p>Structure: Approximate level debt service</p> <p>APPROVALS: Principal amount not to exceed \$14,100,000 Final maturity not to exceed: June 1, 2042. Fixed rate not to exceed: 6.00 %</p> <p>FINANCING TEAM Bond Counsel: Hawkins Delafield &amp; Wood LLP Borrower Counsel: Prince, Massagee &amp; Alexander, PLLC Bank: First -Citizens Bank &amp; Trust Company Bank Counsel: McGuireWoods LLP Trustee: U.S. Bank Trust Company, National Association Financial Advisor: First Tryon Advisors</p>

**Expected Sources and Uses of Funds:**

**Sources:**

Bond Proceeds: Par Amount	\$	14,032,000
Total Sources	\$	14,032,000

**Uses:**

Project Fund:	\$	13,877,998
Cost of Issuance:	\$	153,964
Additional Proceeds:	\$	38
Total Uses	\$	14,032,000

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p><b>INLIVIAN (FKA CHARLOTTE HOUSING AUTHORITY)</b> Multifamily Housing Revenue Bonds - Historic Nathaniel Carr Senior Community 2498 West Boulevard, Charlotte, NC G.S. 159-148; 159-153</p> <p>Not to exceed \$19,500,000. The proceeds of the bonds will be loaned to West Boulevard Historic Preservation, LLC, a North Carolina limited liability company, or an affiliated or related entity (the "Borrower") and used to finance a portion of the cost of the acquisition, construction and equipping of a multifamily rental housing development for seniors to be known as Historic Nathaniel Carr Senior community, consisting of approximately 120 units. The project consists of 60 one bedroom and 60 two bedroom units as a 4% LIHTC development targeting senior households ages 55 and older.</p> <p>The project will target low and moderate-income households earning up to 30%, 60% and 80% of the area median household income (AMI) The apartments will be built in accordance with the specifications provided in the application for low-income housing tax credits (LIHTC) as approved by the NC Housing Finance Agency (NCHFA).</p>	<p>INLIVIAN finds that the project is necessary and expedient to further the Authority's purpose of promoting low and moderate income housing in the City of Charlotte.</p>	<p>The developer provided a Market Study and pro forma which supports the valuations in acquiring and construction of the Development.</p> <p>The issuer 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 reviewed this information and found it to be reasonable.</p>	<p>The developer provided a pro forma and Market Study which supports the valuations.</p> <p>The lenders performed their own credit review.</p> <p>The developer provided 30-year cash flow projections that show debt service coverage for the bonds will range from 1.23X to 1.64X.</p>	<p>No defaults noted, no major deficiencies.</p>	<p>Private Placement</p>	<p>Term: Approximately 18 years after 30-month interest only construction period for Tax Exempt Bonds and Taxable bridge loan with 3 years interest only and a 40 year amortization. Interest Rate: Construction Phase - tax exempt rate of Term SOFR +2.15% with a SOFR Floor of .50% Permanent Phase - 10 year UST + 215 bps (currently 5.177%). Structure: approximately level debt service.</p>

**APPROVALS**

Amount: Not to exceed \$19,500,000  
Final Maturity: not to exceed December 31, 2043  
Interest Rate: Tax-exempt not to exceed 12%

**FINANCING TEAM**

Bond Counsel: McGuireWoods LLP  
Authority's Counsel: The Banks Law Firm, P.A.  
Borrower: West Boulevard Historic Preservation, LLC  
Borrower's Counsel: Nelson Mullins Riley & Scarborough, LLP  
Initial Purchaser: Fifth Third Commercial Funding, Inc.  
Initial Purchaser's Counsel: Womble Bond Dickinson (US) LLP  
Permanent Bondholder: Barings Affordable Housing Mortgage Fund III LLC  
Investment Advisor: Barings, LLC  
Investment Advisor's Counsel: Kutak Rock LLP  
Tax Credit Investor: Raymond James Tax Credit Fund XX L.L.C.  
Tax Credit Investor's Counsel: Nixon Peabody LLP  
Trustee: UMB Bank, N.A.

SOURCES	Closing	
	T/E Bonds	Other Sources
Federal Tax Credit Equity	\$ -	\$ 13,199,965
Permanent Loan 1	\$ -	\$ 11,021,557
Permanent Loan 2	\$ -	\$ 2,000,000
Construction Loan 1	\$ 18,950,000	\$ -
Construction Loan 2	\$ -	\$ -
Construction Loan Repayments	\$ -	\$ (18,950,000)
Soft Loans	\$ -	\$ 2,200,000
Reserves and refunded Deposits	\$ -	\$ 220,431
Trustee Cash Accounts	\$ -	\$ -
Deferred Development Fee	\$ -	\$ 586,175
	<u>\$ 18,950,000</u>	<u>\$ 10,278,128</u>

USES		
Acquisition	\$ 134,560	\$ -
Construction Contract	\$ 17,528,012	\$ 3,974,452
Construction Contingency	\$ -	\$ 1,088,705
Other Construction Costs	\$ 460,030	\$ 194,000
Construction Design, Supervision and Management	\$ 565,500	\$ 143,850
Legal, Accounting and Real Estate Professional Fees	\$ 70,000	\$ 483,211
Third Party Reports	\$ 40,000	\$ 46,000
Tax-Exempt Bond Costs	\$ -	\$ 262,113
Construction Financing Costs	\$ -	\$ 167,652
Interest Expense	\$ -	\$ 1,043,500
Permanent Financing Costs	\$ -	\$ 196,125
Tax Credit Costs	\$ -	\$ 488,040
Property Taxes and Insurance	\$ -	\$ 86,600
Reserves, Escrows, Deposits	\$ -	\$ 635,779
Development fees	\$ 151,898	\$ 1,468,102
	<u>\$ 18,950,000</u>	<u>\$ 10,278,128</u>

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY/ TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
<b>ALBEMARLE</b> Sewer \$6,156,000 G.S. 159G-22 Revolving Loan Project No. CS370522-07	This project will focus on the rehabilitation and replacement of approximately 10,000 feet of gravity sewer lines from 8-inches to 24-inches in diameter. The majority of the rehab will be dig-and-replace. When lines are not conducive to excavation, they will be rehabbed in place. All manholes will either be replaced or rehabbed. Included in this project are major electrical system upgrades at the City's WWTP.	The project is necessary and expedient in that much of the City's collection system is greater than 60 years in age.	A certified cost estimate has been provided by John R McIntyre, PE LKC Engineering PLLC.	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 City anticipates a 19.1% rate increase by the end of project for an expected average monthly water and sewer bill of \$50.47 for 4,136 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%.
<b>BESSEMER CITY</b> Sewer \$1,350,000 G.S. 159G-22 Revolving Loan	The proposed Vantine Pump Station and Sewer Replacements project includes replacement of the existing suction-lift pump station with a new, more efficient pump station using two (2) submersible pumps, replacement of 2,000 linear feet of force main with new force main piping, a new valve vault with check valves and fittings that reduce friction losses. Mechanical pump station upgrades will also require the replacement of some electrical components for the station.	Necessary and expedient because the existing pumps have reduced pumping capacity and the existing force main has capacity restrictions that contribute to sanitary sewer overflows during wet weather events. The existing 5-foot diameter wet well is also undersized and has insufficient storage capacity that also contributes to overflows. Also, many of gravity sewers within the Vantine Basin are aging vitrified clay pipes and manholes are constructed from brick and/or block, which further contributes to the excessive Inflow/Infiltration experienced during wet weather events.	Cost estimated provided by McGill Associates, P.A.	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. Water: \$23.63 Sewer: \$37.67	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%.

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY/ TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
<p><b>HENDERSON</b> Water \$31,893,000 G.S. 159G-22 Revolving Loan Project No. WIF-1920</p>	<p>The Kerr Lake Regional Water System's Water Treatment Plant (WTP) Upgrades project is designed to expand the WTP's capacity from 10 MGD to 20 MGD and enhance its treatment processes, to include: 1) Replace the existing clarification system; 2) Replace the anthracite media in the existing gravity filters with activated carbon; 3) Install four (4) additional gravity filters; 4) Install a powdered activated carbon (PAC) slurry system; 5) Install a new clearwell to increase disinfectant contact-time; and 6) Make miscellaneous improvements to the chemical storage, instrumentation, and controls throughout the WTP.</p>	<p>The KLRWS Water Treatment Plant has been in operation for over 40 years. The project will expand the treatment capacity from 13.97 mgd to 20 mgd and rehabilitate and replace equipment and structures that are beyond their service life.</p>	<p>CDM Smith is the design-builder for this project and has provided a Guaranteed Max Price (GMP) cost summary for this multi-unit coordinated project.</p>	<p>Any FPIC reported by this unit in the most recent audit were immaterial.</p>	<p>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 no expected rate increase. The current monthly cost for an average residential customer water/sewer is \$53.65 for 3,740 gallons.</p>	<p>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%.</p>
<p><b>OXFORD</b> Water \$5,500,000 G.S. 159G-22 Revolving Loan Project No. WIF-2019</p>	<p>The Kerr Lake Regional Water System's Water Treatment Plant (WTP) Upgrades project is designed to expand the WTP's capacity from 10 MGD to 20 MGD and enhance its treatment processes, to include: 1) Replace the existing clarification system; 2) Replace the anthracite media in the existing gravity filters with activated carbon; 3) Install four (4) additional gravity filters; 4) Install a powdered activated carbon (PAC) slurry system; 5) Install a new clearwell to increase disinfectant contact-time; and 6) Make miscellaneous improvements to the chemical storage, instrumentation, and controls throughout the WTP.</p>	<p>The KLRWS Water Treatment Plant has been in operation for over 40 years. The project will expand the treatment capacity from 13.97 mgd to 20 mgd and rehabilitate and replace equipment and structures that are beyond their service life.</p>	<p>CDM Smith is the design-builder for this project and has provided a Guaranteed Max Price (GMP) cost summary for this multi-unit coordinated project.</p>	<p>No major deficiencies No defaults noted.</p>	<p>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 no expected rate increase. The current monthly cost for an average residential customer water/sewer is \$82.41 for 4,000 gallons.</p>	<p>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%.</p>



**MISCELLANEOUS:  
APEX****(ACTION ITEMS):**

The Town of Apex requests a three-year extension per G.S.159-64 of the following bonds authorized by voters at a referendum on November 3, 2015:  
\$15,000,000 G.O. Street and Sidewalk Improvement Bonds, of which \$7,000,000 of such bonds remain unissued.

Despite the Town's best efforts to plan and construct the projects, issuance of the bonds has been delayed due to changes in the scope of the projects, delays in obtaining approvals of the projects from oversight agencies and the need for additional funding due to cost increases.  
Apex expects to be able to issue the bonds to construct the various projects within the revised timetable.

Staff recommends approval of extending the authorization to November 3, 2025.

**BEECH MOUNTAIN**

The Town of Beech Mountain is requesting approval of an increase in funding related to a State Revolving Loan (H-SRP-D-17-0126). The Year 2018 Water System Rehabilitation Project will replace approximately 17,300 LF of existing 2- to 4-inch waterlines with proposed 6-inch waterlines and appurtenances. The original loan was approved on October 2, 2018 for \$1,740,000. The Town has requested an additional increase in the amount of \$354,107 for a new total loan amount of \$2,094,107. The increase is due to change orders for increased material quantities required to complete the project.

**CHAPEL HILL**

The Town of Chapel Hill requests a three-year extension per G.S.159-64 of the following bonds authorized by voters at referenda held on November 3, 2015, as follows:

\$16,200,000 G.O. Street and Sidewalk Bonds, of which \$7,700,000 of such bonds remain unissued;  
\$ 8,000,000 G.O. Parks and Recreation Bonds, of which \$2,700,000 of such bonds remain unissued;  
\$ 5,900,000 G.O. Stormwater Bonds, of which \$3,200,000 of such bonds remain unissued, and  
\$ 5,200,000 G.O. Solid Waste Bonds, of which all \$5,200,000 of such bonds remain unissued.

Chapel Hill requests the extension as it has taken longer to complete design, permitting and construction of these projects, and the Town believes the three-year extension will provide adequate time to design and finance construction of the various projects.

Staff recommends approval of extending the authorization to November 3, 2025.

**HIGH POINT HOUSING  
AUTHORITY -  
DANIEL BROOKS**

The financing for Daniel Brooks Phase I was approved by the LGC on or about July 13, 2021. The LGC approved a not to exceed bond amount of \$11 million. Due to increase in construction costs and interest rates, Daniel Brooks Phase I, LLC requested additional bond volume cap from the NCHFA increasing the amount to \$14 million. High Point Housing Authority is requesting LGC approval for the increase in bond amount. The not to exceed interest rate of 12% and the maturity date of December 31, 2061, previously approved by the LGC, will remain unchanged.

**INLIVIAN - SUGAR CREEK**

The financing for the Sugar Creek apartments was approved by the LGC on February 1, 2022. The LGC approved a not to exceed bond amount of \$23 million. Due to increase in construction costs and interest rates, Sugar Creek Apartments, LLC requested additional bond volume cap from the NCHFA increasing the bond amount to \$28 million. INLIVIAN is requesting LGC approval for the increase in the bond amount. The not to exceed interest rate of 12% and the maturity date of December 31, 2041, previously approved by the LGC, will remain unchanged.

**INLIVIAN - UNION AT TRYON**

The financing for the Union At Tryon project was approved by the LGC on September 14, 2021. At the time of the approval, the project was expected to close as a Fannie M-TEB public offering. However, with financing delays due to the increased costs, the developer decided to change the structure to a privately-placed Freddie-TEL in order to receive a better interest rate. Union at Tryon, LP is requesting LGC approval to update the new bond structure. All other terms: not to exceed bond amount of \$20.8M, interest rate 12% and maturity date of December 31, 2041 will remain the same.

**SALISBURY**

The City of Salisbury 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 Town'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>
South Salisbury Fire Dept.	6/30/2021	2022 \$	12,321.42

**WAYNESVILLE**

The Town of Waynesville is requesting approval of an increase in funding related to a State Revolving Loan (CS370930-01). The Wastewater Treatment Plant Improvement Project will rehabilitate the existing suspended growth activated sludge process with replacement the headworks and secondary clarifiers. The original loan was approved on January 5, 2021 for \$19,045,000. The loan term was extended to 26 years and the extension approved on February 2, 2021. The Town has requested an increase in the amount of \$5,000,000 for a new repayable loan amount of \$24,045,900 and \$500,000 principal forgiveness for a total award of \$24,045,000. The increase is due to higher than anticipated bids for the project.