

The City Council of the City of Greensboro, North Carolina met in a regular meeting in the Council Chambers in the Melvin Municipal Office Building located at 300 West Washington Street in Greensboro, North Carolina, the regular place of meeting, at 5:30 p.m. on November 3, 2014.

Present: Mayor Nancy B. Vaughan, presiding, and Council Members

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Absent: Council Members

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Also Present: Jim Westmoreland, City Manager, Richard L. Lusk, Finance Director, Thomas D. Carruthers, Esq., City Attorney, and Elizabeth H. Richardson, City Clerk.

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The Mayor announced that this was the hour and day of the public hearing on a proposed installment financing agreement (the “Agreement”) to be entered into by the City of Greensboro, North Carolina (the “City”) pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended (the “Act”), in a principal amount not to exceed \$30,000,000 for the purpose of providing funds, together with other available funds, to (a) finance the cost of acquiring, constructing and equipping a new performing arts center for the City to be located in the downtown area of the City and bounded by Lindsey Street, Summit Avenue, Bellemeade Street and Elm Street (the “Project”) and (b) refinance certain prior installment financing obligations of the City (the “Prior Obligations”) entered into by the City to finance the cost of acquiring various parcels of land constituting the site where the Project will be located. To secure its obligations under the Agreement, the City will grant a lien on all or a portion of the site of the Project, together with any improvements or fixtures located or to be located thereon.

The Mayor acknowledged due publication of the notice of public hearing in a newspaper with a general circulation in said City as required by Section 160A-20(g) of the Act and directed the City Clerk to attach the affidavit showing publication in said paper on a date at least ten days prior to the date hereof as Exhibit A hereto.

The Mayor then announced that the City Council would immediately hear anyone who might wish to be heard on advisability of entering into the Agreement to finance the proposed Project and refinance the Prior Obligations as so described.

A list of any persons making comments and a summary of such comments are attached as Exhibit B hereto.

All statements and comments were duly considered by the City Council.

Thereupon, Mayor Vaughn introduced the following resolution the title of which was read and summarized by the Finance Director and copies of which had been distributed to each Council Member:

**RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE FINANCING OF A NEW PERFORMING ARTS CENTER AND THE REFINANCING OF PRIOR INSTALLMENT FINANCING OBLIGATIONS FOR THE CITY OF GREENSBORO, NORTH CAROLINA PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT**

BE IT RESOLVED by the City Council (the “City Council”) of the City of Greensboro, North Carolina (the “City”) as follows:

Section 1. The City Council does hereby find and determine as follows:

(a) There exists in the City a need to finance the cost of a new performing arts center for the City to be located in the downtown area of the City and bounded by Lindsey Street, Summit Avenue, Bellemeade Street and Elm Street (the “Project”).

(b) The City has also determined to refinance certain outstanding installment financing obligations relating to a Master Installment Financing Agreement, dated as of September 6, 2013, between the City and Bank of America, N.A., together with three Schedules related thereto (collectively, the “Prior Obligations”). The Prior Obligations were incurred by the City to finance the cost of acquiring various parcels of land constituting the site where the Project will be located.

(c) After due consideration, the City has determined to enter into an installment financing agreement (the “Agreement”) in an aggregate principal amount not to exceed \$30,000,000 to provide funds, together with other available funds, to (i) pay the costs of the Project, (ii) refinance the Prior Obligations and (iii) pay certain financing costs in connection therewith.

(d) The City will enter into the Agreement with PNC Bank, National Association (the “Bank”), pursuant to which the Bank will advance to the City, from time to time, amounts sufficient, together with other available funds, to pay the costs of the Project, refinance the Prior Obligations and pay the related financing costs, and the City will repay the advancement with interest (the “Installment Payments”).

(e) In order to secure its obligations under the Agreement, the City will execute and deliver a deed of trust (the “Deed of Trust”), granting a lien on all or a portion of the site of the Project, together with all improvements and fixtures located or to be located thereon.

(f) It is in the best interest of the City to enter into the Agreement and the Deed of Trust in that such transaction will result in the financing of the Project and the refinancing of the Prior Obligations in an efficient and cost effective manner.

(g) Entering into the Agreement is preferable to a general obligation bond and revenue bond issue in that (i) the City does not have the constitutional authority to issue non-voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution

because the City has not retired a sufficient amount of debt in the preceding fiscal year to issue a sufficient amount of general obligation bonds for the financing of the Project or the refinancing of the Prior Obligations without an election; (ii) the nature of the Project does not allow for the issuance of revenue bonds to finance the costs of the Project or the refinancing of the Prior Obligations; (iii) the costs of the Project exceeds the amount to be prudently provided from currently available appropriations and unappropriated fund balances; (iv) the circumstances existing require that funds be available to commence acquisition, construction and equipping of the Project as soon as practicable and the time required for holding an election for the issuance of voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution and the Local Government Bond Act will delay the commencement of acquisition and construction of the Project by several months; and (v) there can be no assurances that the Project would be approved by the voters and the necessity of the Project dictates that the Project be financed by a method that assures that the Project will be acquired, constructed and equipped in an expedient manner.

(h) It has been determined by the City Council that the financing of the Project and the refinancing of the Prior Obligations through the Agreement is reasonably comparable to the costs of issuing general obligation bonds or notes or other available methods of financing and is acceptable to the City Council.

(i) Counsel to the City will render an opinion to the effect that the proposed Agreement is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.

(j) The debt management policies of the City have been carried out in strict compliance with law, and the City is not in default under any obligation for repayment of borrowed money.

(k) No tax rate increase is expected to be necessary to pay the Installment Payments under the Agreement.

Section 2. The City Council hereby authorizes and approves the filing of an application with the Local Government Commission for approval of the Agreement and requests the Local Government Commission to approve the Agreement and the proposed financing and refinancing in connection therewith. All actions heretofore taken by the City or its officers or employees in regard to the Agreement is hereby authorized, ratified and approved.

Section 3. The law firm of Womble Carlyle Sandridge & Rice, LLP is hereby appointed to serve, but solely at the pleasure of the City, as bond counsel to the City in connection with the Agreement. DEC Associates, Inc. is hereby appointed to serve, but solely at the pleasure of the City Council, as financial advisor to the City in connection with the Agreement.

Section 4. This resolution shall take effect immediately upon its passage.

Upon motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, the foregoing resolution entitled "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE FINANCING OF A NEW PERFORMING ARTS CENTER AND THE REFINANCING OF PRIOR INSTALLMENT FINANCING OBLIGATIONS FOR THE CITY OF GREENSBORO, NORTH CAROLINA PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT" was adopted by the following vote:

Ayes: \_\_\_\_\_

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Noes: \_\_\_\_\_

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