



Legislation Details (With Text)

File #: ID 16-0607 **Version:** 1 **Name:**
Type: Resolution **Status:** Passed
File created: 6/30/2016 **In control:** City Council
On agenda: 7/19/2016 **Final action:** 7/19/2016
Title: Order Authorizing \$38,500,000 Community and Economic Development Bonds

Sponsors:

Indexes:

Code sections:

Attachments: 1. 16-0607 ORDER AUTHORIZING COMMUNITY AND ECONOMIC DEVELOPMENT BONDS.pdf

Date	Ver.	Action By	Action	Result
7/19/2016	1	City Council	adopt	Pass

Proceedings Introducing Bond Orders Authorizing Housing Bonds, Community And Economic Development Bonds, Parks And Recreation Bonds And Transportation Bonds, Designating The Finance Director to File A Sworn Statement of Debt and Statement Of Total Estimated Interest With The City Clerk, And Calling A Public Hearing On the Bond Orders

Department: Finance and Legal
Council District: All

Public Hearing:
Advertising Date/By:

Contact 1 and Phone: Richard Lusk, Finance Director, 373-2077
Contact 2 and Phone: Tom Carruthers, City Attorney, 373-2320

PURPOSE: The City Council is required by the NC Local Government Commission to make certain findings and initiate certain actions in order to authorize the issuance of up to \$126 million General Obligation Bonds pursuant to a voter referendum to be held on November 8, 2016, as follows:

June 21, 2016

The first step in the authorization process involves the adoption of a resolution by the City Council finding that 1) the bonds are necessary for the City, 2) the proposed principal amount of the bonds is adequate and not excessive, 3) the City's debt management procedures and fiscal policies are carried out in compliance with applicable law and 4) any increase in taxes to service the bonds will not be excessive. The resolution will also authorize the Finance Director to file an application for approval of the bonds with the Local Government Commission. ***The City Council may eliminate or reduce the amounts of any of the proposed purposes, or combine similar purposes, as legally permissible, to be submitted to the NC Local Government Commission prior to adopting this resolution.*** (For example, the City Council may combine any of the three transportation

related purposes.)

July 19, 2016

The second step will involve actions to be taken by City Council to introduce individual bond orders, by purpose (first reading), for the issuance of General Obligation Bonds and to call for a public hearing on the bond orders. ***The City Council may eliminate or reduce the amounts of any of the proposed bond orders considered for approval at this meeting.***

August 1, 2016

The third and final step requires the City Council to hold a public hearing on the bond orders, approve the bond orders (second reading) and to vote on the calling of a voter referendum on the bonds. ***City Council may eliminate or reduce the amounts of any of the proposed bond orders considered for approval at this meeting.***

BACKGROUND: The FY 2017-2026 Capital Improvement Program includes information on various capital project needs of the City totaling \$1.7 billion, from which a prospective list of items to be included in a November 2016 bond referendum, in the amount of \$126 million, are summarized by purpose in the attached resolution.

BUDGET IMPACT: Any increase in property taxes necessary to service debt on the bonds is not expected to exceed 3.35 cents per \$100 assessed valuation, based on issuing the bonds in several series over the next seven (7) years. Under current economic conditions the bonds can be marketed at reasonable rates of interest.

RECOMMENDATION / ACTION REQUESTED: It is recommended by the Legal and Finance Departments that the City Council (1) designate the Finance Director to file a Sworn Statement of Debt and Statement of Estimated Interest with the City Clerk and (2) pass a motion calling a public hearing on bond orders introduced, subject to City Council adoption of any or all of the six orders authorizing bonds to be issued for Housing, Community Development, Parks and Recreation, Street and Sidewalk Improvement, Street Resurfacing, and Public Transportation.