



Legislation Details (With Text)

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Title: Resolution Making Certain Findings And Determinations Regarding The Proposed Financing And Refinancing Of A New Performing Arts Center And Related Facilities For The City And Requesting The Local Government Commission To Approve The Financing Arrangement

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Attachments: 1. 17-0766 RES PH_LGC Findings 2018 LOBs (TPAC).pdf

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12/19/2017	1	City Council	adopt	Pass

Resolution Making Certain Findings And Determinations Regarding The Proposed Financing And Refinancing Of A New Performing Arts Center And Related Facilities For The City And Requesting The Local Government Commission To Approve The Financing Arrangement

Department: Finance
Council District: 3

Public Hearing: December 19, 2017
Advertising Date/By: December 8, 2017 / Bond Counsel

Contact 1 and Phone: Richard L. Lusk, Finance Director, 373-2077
Contact 2 and Phone: Thomas D. Carruthers, City Attorney, 373-2320

PURPOSE:

A public hearing is required for the City to enter into an installment financing agreement ("Agreement") which will provide funding of \$40 million of the City's share of project costs of the Stephen B. Tanger Center for the Performing Arts ("Center"), as well as related financing costs. Subject to the public hearing, the City Council will consider approving a resolution to proceed with project financing, including refinancing an existing installment financing agreement. Subsequently, the financing is expected to be approved by the N. C. Local Government Commission on January 9, 2018.

BACKGROUND:

In a public private partnership with The Community Foundation of Greater Greensboro ("Foundation"), representing private donors, the City agreed to acquire various downtown properties and construct a new performing arts center. A memorandum of understanding between the City and the Foundation, to be amended on December 19, 2017, will provide that the project will be funded by private donations of \$41.8 million and a

contribution of \$42.9 million from the City (funded from bonds and other revenue sources), for a total project budget of \$84.7 million that funds land acquisition, design and construction costs.

The City's proposed project financing includes refinancing an existing \$30 million short-term Agreement with PNC Bank and borrowing an additional \$10 million under the new Agreement. The City will also borrow approximately \$4.3 million to cover estimated bond issuance costs and capitalized interest during construction, for a total estimated amount to be borrowed of \$44.3 million.

Award of the construction contract of \$57.9 million will occur on December 19, 2017 with construction of the facility to commence early 2018.

BUDGET IMPACT:

No general fund expense or revenue accounts will be impacted. Principal and interest payments on the Agreement will be paid from a combination of project revenues (primarily ticket surcharges and on-site premium parking fees) and a portion of hotel/motel tax funds dedicated to City capital projects administered by the Greensboro Convention and Visitors Bureau.

RECOMMENDATION / ACTION REQUESTED:

The Finance, Coliseum and Legal Departments recommend that City Council approve the attached resolution authorizing the proposed financing and refinancing of the Center and filing of an application with the N. C. Local Government Commission for the approval of bonds issued pursuant to the Agreement.