



Legislation Text

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RESOLUTION CALLING PUBLIC HEARING ON EXTENDING BOND ISSUANCE PERIOD FROM SEVEN TO TEN YEARS FOR NATURAL SCIENCE CENTER GENERAL OBLIGATION BONDS APPROVED NOVEMBER 3, 2009

Department: Finance and Legal
Council District: All

Public Hearing:
Advertising Date/By:

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Contact 2 and Phone: Tom Carruthers, City Attorney, 373-2320

PURPOSE: It is necessary to extend the bond issuance period from seven years to ten years for Natural Science Center General Obligation Bonds approved by voters on November 3, 2009, in order to allow the City to issue Bond Anticipation Notes (BANs) in FY16-17 and Bonds in 2018 to complete phase 2 and planned phase 3 capital projects. This action requires that City Council adopt the attached resolution calling for a public hearing, set for September 6, 2016, on the question of whether the maximum time period for issuing bonds under orders adopted by the City Council on June 16, 2009, which took effect on November 3, 2009, should be extended from seven years to ten years after such date, that is, extended from November 3, 2016 to November 3, 2019.

BACKGROUND: The initial time period for the issuance of General Obligation Bonds is seven years from the date bonds are authorized by voters. The City Council may request that the NC Local Government Commission approve extension of the issue period from seven to ten years, in accordance with NCGS 159-64. The \$20,000,000 Natural Science Center bond orders authorized in the 2009 General Obligation Bond Referendum were effective November 3, 2009 and expire November 3, 2016. Following approval of the bonds in 2009, bond issue plans were delayed due to various reasons, including a general economic downturn. To date, \$9,892,150 of those bonds have been issued, leaving a balance of \$10,107,850 to issue. Commission approval would extend the bond issue period through November 3, 2019, allowing the remaining bonds to be issued over the next two years as funding is needed to complete phases 2 and 3.

BUDGET IMPACT: No additional resource above the current 8.25 cent property tax allocation for debt service is required to fund the debt service on these bonds.

RECOMMENDATION / ACTION REQUESTED: The Finance and Legal Departments recommend City Council approval of the attached resolution calling for a public hearing on September 6, 2016 on the question of whether the maximum time period for issuing bonds under orders adopted by the City Council on June 16, 2009, which took effect on November 3, 2009, should be extended from seven years to ten years after such date.

