



Legislation Text

File #: ID 17-0767, **Version:** 1

Resolution Approving And Authorizing The Sale And Issuance Of Limited Obligation Bonds And The Execution And Delivery Of A Master Trust Agreement, A First Supplemental Trust Agreement, A Deed Of Trust And Related Documents In Connection With The Financing And Refinancing Of A New Performing Arts Center And Related Facilities

Department: Finance
Council District: 3

Public Hearing: December 19, 2017
Advertising Date/By:

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PURPOSE:

To authorize the sale and issuance of limited obligation bonds and the execution of related financing documents in conjunction with financing of the Stephen B. Tanger Center for the Performing Arts ("Center"). Subsequently, the financing is expected to be approved by the N. C. Local Government Commission on January 9, 2018, with the bonds to be sold and closed by February 14, 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.

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 sale and issuance of limited obligation bonds and the execution of related financing documents in conjunction with financing of the Center.