



Legislation Text

File #: ID 18-0124, **Version:** 1

Ordinance in the Amount of \$13,402,640 Amending the Performing Arts Center Fund for Refinancing the 2014 Installment Financing Agreement

Department: Financial & Administrative Services
Council District: All

Public Hearing: N/A
Advertising Date/By: N/A

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PURPOSE: To amend the Performing Arts Center Fund providing appropriations in the amount of \$13,402,640 in order to record the refinancing of a December 18, 2014 short-term Installment Financing Agreement on February 14, 2018 with proceeds of Limited Obligation Bonds.

BACKGROUND: In November 2014, the City authorized a \$30.0 million short-term Installment Financing Agreement under an interest-only construction draw program. The proceeds of the loan were used for land acquisition and site preparation. The balance of the loan at the time of the 2018 refinancing was \$13,402,640. On February 14, 2018 the City issued Series 2018 Taxable Limited Obligation Bonds totaling \$43,450,000 with an average fixed interest cost of 3.79% over their 25-year term, to refinance the short-term loan and to finance the City's portion of project construction, certain bond issuance costs and capitalized interest during construction, and pay off the \$13,402,640 balance of the Installment Financing Agreement.

BUDGET IMPACT: The attached ordinance allows for the proper recording of the refinancing and payoff of the Installment Financing Agreement and does not authorize additional project spending. A budget adjustment is also required to move funding into the correct accounts to record the bond sale and issue costs.

Principal and interest payments on the Bonds 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 and Legal Departments recommend approval of the attached ordinance in the amount of \$13,402,640 to provide appropriations to record the payoff of the 2014 Installment Financing Agreement.