



Legislation Text

File #: ID 20-0340, **Version:** 1

Order Authorizing The Issuance By The City Of Greensboro, North Carolina Of Not To Exceed \$85,000,000 Combined Enterprise System Revenue Bonds And Other Actions In Connection Therewith

Council Priority: Maintain Infrastructure and Provide Sustainable Growth Opportunities

Department: Water Resources
Council District: All

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

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PURPOSE:

The City proposes to issue \$85 million Revenue Bonds to finance certain water and wastewater systems improvements that will be constructed over the next two years. Issuance of short-term Bond Anticipation Notes (BANs) will provide construction financing prior to 30-year revenue bonds being issued in 2022. Issuance of the BANs requires City Council adoption of the attached bond order.

BACKGROUND:

This proposed financing provides (1) \$34 million to complete improvements to the T. Z. Osborne Wastewater Treatment Plant, Mitchell Water Filter Plant, Hilltop Road Lift Station and Young's Mill Road Lift Station, and (2) \$51 million to finance the replacement of water meters, extend a water line to the Greensboro-Randolph Megasite, fund other water and sewer system improvements, and fund debt issuance costs. The \$85 million short-term notes will be issued June 2020 and refinanced in two years with 30-year bonds.

BUDGET IMPACT:

Repayment of the debt service on outstanding revenue bonds and proposed Series 2020 revenue BANs will require an increase in water and sewer rates in future years. Under current economic conditions, the bonds can be marketed at reasonable rates of interest.

RECOMMENDATION / ACTION REQUESTED:

The Finance, Legal and Water Resources Departments recommend City Council adoption of the attached bond order authorizing the issuance of \$85 million Combined Enterprise System Revenue BANs, Series 2020.