Legislation Text

File #: ID 20-0341, **Version:** 1

Resolution Providing For The Sale And Issuance Of A Not To Exceed $85,000,000 Combined Enterprise System Revenue Bond Anticipation Note, Series 2020

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 up to $85 million Revenue Bond Anticipation Notes (BANs) to finance certain water and wastewater systems improvements that will be constructed over the next two years. Issuance of the BANs requires City Council approval of the attached resolution authorizing the sale of BANs pursuant to an agreement between the NC Local Government Commission, the City and PNC Bank, scheduled to close on or about June 30, 2020.

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 notes 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 resolution authorizing the issuance of up to $85 million Combined Enterprise System BANs, Series 2020.