



Dale R. Folwell, CPA

North Carolina Local Government Commission Agenda
July 11, 2023
PRELIMINARY AGENDA

1. Pledge of Allegiance / Salute to the North Carolina Flag
2. Conflict of Interest Statement
3. Minutes for Approval:
 - a. June 6, 2023 LGC Meeting Minutes
 - b. June 26, 2023 LGC Special Meeting Minutes
4. Pension and OPEB Liability Report for Units on the Agenda (Attachment A)
5. Debt Approval Requests: FPIC Units (Attachment B)
6. Debt Approval Requests and Related Actions: Consent Agenda (Attachment C) and Miscellaneous Non-Action Items
7. Updates and Actions Related to Units Under LGC Financial Control (Attachment D)
8. Rules for the Certification of a Mutual Fund for Local Government Investment (Attachment E)
9. Overview of North Carolina Session Law 2023-59: An Act To Increase Compliance By Counties And Municipalities That Fail To Timely Submit An Annual Audit Report (Attachment F)
10. Update on Units
 - a. Presentation on the Status of the Town of Spring Lake (Attachment G)
 - b. Update on Elizabeth City (Attachment H: Citizen Letters Related to Elizabeth City)

Approximate Per Capita Debt

State: \$ 479.70

Federal: \$ 96,322.04

Agenda Notes

1. LGC Staff recommends approval of all items on this agenda.
2. LGC approval of items on this agenda also includes as applicable:
 - a. A finding that the assumptions used by the unit's finance officer in preparing the statement of estimated interest pursuant to G.S. 159-55.1(a) are reasonable (**applicable only to general obligation bonds** pursuant to N.C.G.S 159-52(b) (Session Law 2022-53)).
 - b. Approval of the identified financing team (**applicable only to general obligation bonds sold by private sale** pursuant to N.C.G.S. 159-123(e) **and revenue bonds** pursuant to N.C.G.S. 159-83(a)(14)).

3. Glossary of Debt Types

- 159-153 Approval of other financing arrangements
- BAN Bond Anticipation Notes
- CON REV Conduit Revenue Bonds
- GAN Grant Anticipation Notes
- GO General Obligation Bonds
- GO BAN General Obligation Bonds – Bond Anticipation Notes
- GO REFUNDING General Obligation Bonds – Refunding
- IP Installment Purchase
- USDA IP USDA Installment Purchase
- IRB Industrial Revenue Bonds
- LOB Limited Obligation Bonds
- LOB BAN Limited Obligation Bonds – Bond Anticipation Notes
- LOB REFUNDING Limited Obligation Bonds – Refunding
- REV Revenue Bonds
- REV BAN Revenue Bonds – Bond Anticipation Notes
- REV REFUNDING Revenue Bonds – Refunding
- USDA Rev Bonds USDA Revenue Bonds
- SOB Special Obligation Bonds
- SRF State Revolving Fund Loan
- FRL Federal Revolving Loan

Debt Approval Requests: FPIC Units (Attachment B)

Unit Name	Debt Type	Project Title	Amount	Page #
Pender County	GO	G O Bond Referendum Schools	\$178,000,000	B-1
Transylvania County	IP	EMS Base Station Replacement	\$5,500,000	B-9

Debt Approval Requests and Related Actions: Consent Agenda (Attachment C)

Unit Name	Debt Type	Project Title	Amount	Page #
Asheville Housing Authority	CON REV	Laurel Wood Apartments	\$15,555,555	C-1
Gastonia	REV	Gastonia Combined Utilities System Revenue Bond, Series 2023	\$42,000,000	C-3
Hickory Housing Authority	CON REV	Hilltop Apartments, Series 2023	\$12,000,000	C-5
Johnston County	REV	TGB Water Treatment Plant	\$85,000,000	C-7
Mills River	IP	Land Purchase	\$2,416,000	C-9
Nash County	IP	Shell Building Construction	\$6,200,000	C-11
Statesville	IP	Municipal Operations Center and Fire Station #1	\$12,000,000	C-13
Miscellaneous Action Items				
Gastonia Housing Authority	CON REV	Fairhaven Place	\$47,900,000	C-15
End Consent Agenda				

Miscellaneous Non-Action Items

Unit Name	Debt Type	Project Title	Amount	Page #
Charlotte-Mecklenburg Hospital Authority	CON REV	Atrium 2007 D & F LIBOR to SOFR	NA	C-17
Inlivan Housing Redefined	CON REV	Creekridge on the Park	NA	C-19

Unit Updates (Attachment D)

Unit Name	Vote Needed
Eureka	Modifications to Deputy Finance Officer and Account Signatory
Cliffside Sanitary District	No
Robersonville	Acceptance of VUR Grant Acceptance of DEQ ARPA Grant
Kingstown	No
Spring Lake	No

Other Items

Item	Vote Needed	Attachment
Rules for Certification of a Mutual Fund	Yes	Attachment E
Overview of Session Law 2023-59: An Act to Increase Compliance by Counties and Municipalities That Fail to Timely Submit an Annual Audit Report	No	Attachment F
Update on Units Presentation on the Status of the Town of Spring Lake Update on Elizabeth City	No	Attachment G Attachment H: Citizen Letters Related to Elizabeth City

Attachment B:

FPIC Units



LGC Staff Analysis For:	Pender County		
Amount Not To Exceed	\$ 178,000,000		
Financing Type	General Obligation Bonds		
Purpose and Type	General Government	School (K-12)	
Purpose and Type			
Purpose and Type			
Purpose and Type			
Project Description	Referendum approved by voters on November 8, 2022 (11,133 to 9,842; 53.1% approval) for \$178,000,000 School Bonds for the following projects: a new 1200 student 6-8 middle school (\$67,636,800), a new 800 student K-5 elementary school (\$43,920,000), renovation of Topsail Middle School for a grade 9-10 Academy due to overcrowding at the high school (\$22,601,432), an elementary school addition (\$1,219,065), rebuild Burgaw M.S. cafeteria (\$4,272,000, school is aging), construct a new Central Services and Maintenance Building (\$21,000,000) and construct an 8-bay garage/maintenance building (\$17,121,600). The school system is experiencing substantial population growth in the eastern section of the County along the US 17 corridor, around Scott's Hill and Hampstead, to Holly Ridge and in the proximity of Topsail Island. Topsail H.S. was built as a 1-A high school and is now 4-A.		
Statutory Reference	G.S. 159 Article 4	Last Request to Borrow	10-6-2020, \$16.5 MM G O Refunding
FPICs	<input type="checkbox"/> No <input type="checkbox"/> Yes - Immaterial <input checked="" type="checkbox"/> Yes - See attachment for summary and unit response		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Bond Issue or Contract is Necessary or Expedient	Proceeds of the voter authorized bonds are necessary to fund the costs of the projects to construct school facilities to relieve overcrowding in the eastern section of the County and to renovate or replace facilities in the central section of the County due to aging facilities.	Proposed Amount is Adequate and Not Excessive	Cost estimates were provided by professional architects and engineers (FWA Group Architects). The County has opted to increase the tax rate in FY 2024 prior to issuance of the bonds, in order to build debt service reserves in advance of the increase in debt service costs.
Feasibility			
Tax Increase Anticipated	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes Additional information (as applicable): A tax rate increase of 9.25¢ is included in the FY 2023-24 budget, adopted on June 19, 2023. The tax rate will increase from 64.5¢ for FY 2022-23 to 73.75¢ for FY 2023-24.		
Public Hearing	<input type="checkbox"/> N/A OR Date 8/1/2022	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



Pender County

Terms	Lender/Purchaser/Bank		Marketability	
	Interest Rate			
	Term			Moody's Aa2
	Payment			S&P AA
	Structure and Term			Fitch N/A
	Final Maturity			
Other:	The bonds will be competitively sold following approval by the Commission. The current plan is to offer the bonds in 3 series in (approximately) FY 2025, 2027 and 2028 corresponding to (1) construction of the elementary and middle school, (2) renovation of the middle school, classroom additions at the elementary school, replacement of the middle school cafeteria, and (3) construction of the central services facilities and the maintenance garage, respectively.			

Financing Team

Financial Advisor	Davenport & Company LLC	
Underwriter/Senior		
Lender/Purchaser/Bank		
Underwriter's Counsel		
Bond Counsel	Sanford Holshouser LLP	
Purchaser's Counsel		
Trustee		
Trustee's Counsel		

Amount Not to Exceed: \$ 178,000,000

Sources:		Amount:
1		
2		
3		
4		
Total		\$ 0
Uses:		Amount:
1	See "Project Descriptions" on page 1	
2		
3		
4		
Total		\$ 0

Debt and Debt Ratios

Amount	\$ 178,000,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 0	Before	\$ 1,124
Existing Debt Excluding Enterprise Funds	\$ 70,763,005	After	\$ 3,950
Estimated Census	62,978	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	\$0.7375	Before	0.72%
Assessed Valuation	\$ 9,839,032,294	After	2.53%



LGC Staff Analysis For:	TRANSYLVANIA COUNTY		
Amount Not To Exceed	\$ 5,500,000		
Financing Type	Installment Purchase		
Purpose and Type	General Government	EMS Building	
Purpose and Type			
Project Description	Pay for capital costs of constructing, equipping and furnishing a new Emergency Medical Services base station in the County. Construction of a new 10,275 square foot EMS Base Station to replace the existing 1,961 square foot EMS base station built in 1957 which is too small, has several structural and site issues, and is in a dangerous location. The new EMS base station will include six bays and room for training and storage to accommodate the County's current and projected needs.		
Statutory Reference	G.S. 160A-20	Last Request to Borrow	IP 09/2015 \$1.8M
FPICs	<input type="checkbox"/> No <input type="checkbox"/> Yes - Immaterial <input checked="" type="checkbox"/> Yes - See attachment for summary and unit response		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Bond Issue or Contract is Necessary or Expedient	<p>The project is necessary or expedient as it is essential to the County's proper, efficient and economic operation and to the general health and welfare of its inhabitants. Additionally this project is necessary to provide adequate emergency medical services in the County.</p>	<p>Proposed Amount is Adequate and Not Excessive</p>	<p>Construction bids received on 11/09/2022 and remain valid. Costs are defined and known.</p>
Feasibility	No tax increase is anticipated. Debt service will be paid from the general fund.		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Additional information (as applicable):		
Public Hearing	<input type="checkbox"/> N/A OR Date 3/13/2023	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



TRANSYLVANIA COUNTY

Terms	Lender/Purchaser/Bank	JPMorgan Chase Bank, N.A.	Marketability		
	Interest Rate	3.56%			
	Term	15 Years			Moody's N/A
	Payment	Annual principal; Semi-Annual Interest			S&P N/A
	Structure and Term	Level Principal			Fitch N/A
	Final Maturity	June 1, 2038			
Other:	The proposed installment financing is preferable to a bond issue for the same purposes.				

Financing Team

Financial Advisor	First Tryon Advisors, LLC	Bank's Counsel	Womble Bond Dickinson (US) LLP
Underwriter/Senior			
Lender/Purchaser/Bank	JPMorgan Chase Bank, N.A.		
Underwriter's Counsel			
Bond Counsel	Parker Poe Adams & Bernstein, LLP		
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$ 5,500,000

Sources:	Amount:
1 Loan Proceeds	\$ 5,500,000
2	
3	
4	
Total	\$ 5,500,000
Uses:	Amount:
1 Construction Costs	\$ 4,290,524
2 Engineer/Architect Fees/Administrative Costs	\$ 402,300
3 Furniture/Fixtures and Equipment	\$ 376,264
4 Contingency/Special Counsel/Fiscal Cost/Other Legal Fees	\$ 430,912
Total	\$ 5,500,000

Debt and Debt Ratios

Amount	\$ 5,500,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 68,000,000	Before	\$ 2,031
Existing Debt Excluding Enterprise Funds	\$ 913,484	After	\$ 2,193
Estimated Census	33,936	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	\$0.6583	Before	0.99%
Assessed Valuation	\$ 6,995,375,550	After	1.06%

Attachment C:
Consent Agenda
and
Miscellaneous Non-Action Items



LGC Staff Analysis For:	ASHEVILLE HOUSING AUTHORITY - LAUREL WOOD APARTMENTS		
Amount Not To Exceed	\$ 15,555,555		
Financing Type	Conduit Revenue Bonds		
Purpose and Type	Housing Housing		
Purpose and Type			
Project Description	<p>The proceeds of the bonds will be loaned to Laurel Wood VOA Affordable Housing, LLC, a North Carolina limited liability company, or an affiliated related entity (the "Borrower"). The proceeds will be used to finance the acquisition and rehabilitation of a 51-unit multifamily residential rental facility for seniors 55 and older, located in the City of Asheville, NC, and the construction of 54 additional units on the same site to become part of Laurel Wood Apartments. The existing building on the site is a fully subsidized HUD 202 property for seniors containing 50 one-bedroom rental units and 1 two-bedroom manager's unit which will remain fully subsidized. The additional new construction include 54 units with 42 one-bedroom and 12 two-bedroom units. The new building will receive 26 vouchers from the City of Asheville. The units will be occupied with tenants earning 40% to 80% AMI.</p> <p>There are three series of bonds for this financing: \$6,555,000 Series 2023 A - Construction and Permanent Financing - Tax Exempt \$5,300,000 Series 2023 B - Construction - Tax Exempt \$3,700,000 Taxable Series 2023 C - LIHTC Bridge - Taxable</p>		
Statutory Reference	G.S. 159 Article 5 Last Request to Borrow Con-Rev 12/2022; \$20M		
FPICs	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - Immaterial <input type="checkbox"/> Yes - See attachment for summary and unit response		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Bond Issue or Contract is Necessary or Expedient	The Authority finds that the project is necessary and expedient to further the Authority's purpose of promoting low and moderate income housing in the City of Asheville.	Proposed Amount is Adequate and Not Excessive	The developer provided a Market Study and proforma which supports the valuations in acquiring and construction of the Development. The issuer found that the debt to be incurred in connection with the project is adequate but not excessive. In addition, the Rental Investment section of the NCHFA reviewed this information and found it to be reasonable.
Feasibility	The developer provided a proforma and Market Study which supports the valuations. The lenders performed their own credit review. The developer has provided 20-year cash flow projections that show debt service coverage for the bonds will range from 1.16X to 1.69X		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Additional information (as applicable):		
Public Hearing	<input checked="" type="checkbox"/> N/A OR Date	TEFRA Hearing	<input type="checkbox"/> N/A OR Date 3/22/2023
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



ASHEVILLE HOUSING AUTHORITY - LAUREL WOOD APARTMENTS

Terms	Lender/Purchaser/Bank		Marketability Bonds are not rated. Moody's N/A S&P N/A Fitch N/A
	Interest Rate	see "Other"	
	Term	see "Other"	
	Payment	see "Other"	
	Structure and Term	level debt	
	Final Maturity	NTE 12/31/2044	
Other:	INTEREST RATE: 2023A Bonds construction period and permanent estimated 5.65%; Series 2023B estimated 5.10% construction period; Taxable Series 2023C estimated 5.75% construction period. Tax-exempt not to exceed 12% PAYMENT: Series A bonds interest only semi-annual payments during construction period; semi-annual interest with annual principal payments during the permanent financing phase. Series B and Series C bonds are short-term and will be paid at the end of construction. TERM: 18 years for permanent financing.		

Financing Team			
Financial Advisor		Borrower	Laurel Wood VOA Affordable Housing, LLC
Underwriter/Senior	Piper Sandler & Co	Borrower's Counsel	The Banks Law Firm, P.A.
Lender/Purchaser/Bank		Authority's Counsel	Roberts & Stevens, P. A.
Underwriter's Counsel	Orrick, Herrington & Sutcliffe LLP	Tax Credit Investor	NHT Equity, LLC or an affiliate
Bond Counsel	McGuire Woods, LLP	Tax Credit Investor's Counsel	Kutak Rock, LLP
Purchaser's Counsel			
Trustee	U.S. Bank Trust Company, N.A		
Trustee's Counsel	Stover Legal Group, LLC		

Amount Not to Exceed: \$ 15,555,555	
Sources:	Amount:
1 Federal LIHTC	\$ 9,790,679
2 Piper Sandler	\$ 7,365,000
3 Buncombe County and Asheville HTF	\$ 2,300,000
4 Seller Note	\$ 2,157,824
5 Capital Market Funds	\$ 775,000
6 Volunteers of America (VOA) Deferred Developer Fee	\$ 912,600
7 Other Miscellaneous Sources	\$ 405,903
Total	\$ 23,707,006

Uses:	Amount:
1 Acquisition Costs	\$ 2,397,582
2 Construction/Rehabilitation Costs	\$ 15,708,447
3 Professional Fees & Other Soft Costs	\$ 2,265,975
4 Financing Costs	\$ 2,011,575
5 Tax Credit & Syndication Costs	\$ 391,227
6 Start-up costs, Reserves and Escrows	\$ 932,200
7	
Total	\$ 23,707,006



LGC Staff Analysis For:	GASTONIA, CITY OF		
Amount Not To Exceed	\$ 42,000,000		
Financing Type	Revenue Bonds		
Purpose and Type	Water/Sewer	Sanitary Sewer	
Purpose and Type	Water/Sewer	Water	
Purpose and Type			
Purpose and Type			
Purpose and Type			
Project Description	The proceeds of the Series 2023 Bonds will be used to finance the cost of various improvements to the City's existing water and sanitary sewer systems, including, (a) the construction and installation of water and sanitary sewer mains and lines within and without the corporate limits of the City, (b) the construction of a new wastewater pump station and (c) the decommissioning of existing wastewater pump stations and to pay certain costs of issuance of the Series 2023 Bonds. Construction is expected to begin in late summer 2023 and be completed by March 2025.		
Statutory Reference	G.S. 159 Article 5	Last Request to Borrow	G.O. 10-2022 \$75M
FPICs	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - Immaterial <input type="checkbox"/> Yes - See attachment for summary and unit response		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Bond Issue or Contract is Necessary or Expedient	The project is necessary and expedient to provide financing in order to better serve and provide for the anticipated population growth in the City and to maintain assets in serviceable conditions.	Proposed Amount is Adequate and Not Excessive	Construction bids were received by the City on June 6, 2023. Cost are defined
Feasibility	A feasibility study has been completed by Willdan Financial Services and the complete version of the document shows required coverages of debt service coverage available as defined in the bond covenants of at least 3.72X on parity indebtedness and at least 1.89X on subordinated indebtedness through 2028. The average residential monthly water and sewer bill is \$76.86 based on usage of 6,000 gallons with an assumed average 5.0% annual rate increase through 2028. Future rate increases are expected to be implemented & effective on July 1st of each respective Fiscal Year or deemed necessary by the City in accordance with budgeting procedures and future revenue requirement.		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Additional information (as applicable):		
Public Hearing	<input checked="" type="checkbox"/> N/A OR Date	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



GASTONIA, CITY OF

Terms	Lender/Purchaser/Bank		Marketability Ratings are per the FY22 Audit. The bond sale will be on July 19, 2023, not to conflict with other bond sales.
	Interest Rate	All-in TIC: not to exceed 5%; Estimated All-in TIC: 4.01%	
	Term	20 years	
	Payment	Annual principal and semi-annual interest	
	Structure and Term	Approximately level debt service	
	Final Maturity	5/1/2043	
Other:			

Financing Team

Financial Advisor	First Tryon Advisors, LLC
Underwriter/Senior	Wells Fargo Bank, N.A.
Lender/Purchaser/Bank	
Underwriter's Counsel	Pope Flynn LLC
Bond Counsel	Womble Bond Dickinson (US) LLP
Purchaser's Counsel	
Trustee	U.S. Bank Trust Company, N.A.
Trustee's Counsel	Moore & Van Allen, PLLC

Amount Not to Exceed: \$ 42,000,000

Sources:	Amount:
1 Bond Par Amount	\$ 37,365,000
2 Bond Premium	\$ 3,966,785
3 Investment Earnings	\$ 1,149,230
4	
Total	\$ 42,481,015
Uses:	Amount:
1 Project Fund	\$ 42,000,000
2 Cost of Issuance	\$ 365,000
3 Underwriter's Discount	\$ 112,095
4 Additional Proceeds	\$ 3,920
Total	\$ 42,481,015

Debt and Debt Ratios

Amount	\$ 42,000,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued		Before	
Existing Debt Excluding Enterprise Funds		After	
Estimated Census		Debt Ratio: Debt to Assessed Valuation	
Tax Rate		Before	
Assessed Valuation		After	



LGC Staff Analysis For:	HICKORY HOUSING AUTHORITY - HILLTOP APARTMENTS		
Amount Not To Exceed	\$ 12,000,000		
Financing Type	Conduit Revenue Bonds		
Purpose and Type	Housing	Housing	
Purpose and Type			
Project Description	<p>The proceeds of the Bonds will be loaned to Hilltop NC TC, LP, a North Carolina limited partnership, or an affiliated or related entity and used to finance a portion of the cost of the acquisition, rehabilitation and equipping of a 106-unit multifamily residential rental facility known as Hilltop Apartments. The development will consist of 106 units located in 10 residential buildings, as well as a covered picnic area and outdoor sitting areas with benches. Site improvements for drainage, sidewalks, and asphalt parking lots are included. Site amenity upgrades include, significant landscaping, breezeway lighting, a new picnic pavilion, a new community center and a new playground and tot lot. The site is located in close proximity to various of the government, shopping, medical, school and other services located in the Hickory downtown business district and surrounding area.</p>		
Statutory Reference	G.S. 159 Article 4	Last Request to Borrow	None
FPICs	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - Immaterial <input type="checkbox"/> Yes - See attachment for summary and unit response		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Bond Issue or Contract is Necessary or Expedient	<p>The Authority finds the financing is necessary or expedient to further the Authority's purpose of promoting low and moderate income housing in the City of Hickory, NC.</p>	<p>Proposed Amount is Adequate and Not Excessive</p>	<p>The developer provided a Market Study and pro-forma which support the valuations. The issuer found that the debt to be incurred in connection with the project is adequate but not excessive. In addition, the Rental Investment section of the NCHFA reviewed this information and found it to be reasonable.</p>
Feasibility	<p>The developer provided a 10 year cash flow projection that shows debt service coverage for the bonds will range from 1.00X to 1.15X. The lenders performed their own credit review.</p>		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Additional information (as applicable):		
Public Hearing	<input checked="" type="checkbox"/> N/A OR Date	TEFRA Hearing	<input type="checkbox"/> N/A OR Date 4/27/2023
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



HICKORY HOUSING AUTHORITY - HILLTOP APARTMENTS

Terms	Lender/Purchaser/Bank	Cedar Rapid Bank & Trust Company	Marketability Moody's N/A S&P N/A Fitch N/A	
	Interest Rate	See Other		
	Term	Bridge Loan - 24 Months; Permanent Loan - See Other		
	Payment	Bridge Loan - monthly interest; Perm Loan - See Other		
	Structure and Term	Level Debt		
	Final Maturity	December 31, 2043		
Other:	Permanent Loan Series A - estimated \$9,930,000; Bridge Loan Series B - estimated \$2,070,000 INTEREST RATE: Series A (Perm Loan) - variable interest rate equal to SOFR plus 2.50%; indicative rate of 5.82%; Series B (Bridge Loan) - fixed rate estimated at 7.75%; Tax exempt interest rate not to exceed 12%. TERM: Series A - approximately 18 years with a 40 year amortization. PAYMENT: monthly principal and interest after approximately two-year interest-only period.			

Financing Team			
Financial Advisor		Borrower's Counsel	Ellinger & Carr PLLC
Underwriter/Senior		Borrower	Hilltop NC TC, LP
Lender/Purchaser/Bank	Cedar Rapid Bank & Trust Company	Tax Credit Investor	CAHEC, or an affiliate
Underwriter's Counsel			
Bond Counsel	McGuire Woods, LLP		
Purchaser's Counsel	Winthrop & Weinstine, P.A.		
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$ 12,000,000		
Sources:	Amount:	
1 First Mortgage		\$ 9,930,000
2 Limited Partner Equity		\$ 7,047,384
3 Seller Note		\$ 3,300,000
4 Construction Period Income		\$ 1,152,793
5 Deferred Developer Fee		\$ 908,778
6 Interest on the Seller Note 4%		\$ 132,000
7 Second Mortgage - Home		\$ 300,000
Total		\$ 22,770,955

Uses:	Amount:	
1 Aquisition		\$ 8,000,000
2 Construction		\$ 9,063,000
3 Architectural/Engineering/Legal/Tax Credit Agency Fees and Closing Costs		\$ 1,144,515
4 Financing Fees		\$ 1,251,879
5 Developer Fees		\$ 1,900,000
6 Owner Cost		\$ 1,411,561
7		
Total		\$ 22,770,955



LGC Staff Analysis For:	Johnston County		
Amount Not To Exceed	\$ 85,000,000		
Financing Type	Revenue Bonds	<input type="checkbox"/>	<input type="checkbox"/>
Purpose and Type	Water/Sewer	<input type="checkbox"/> Water	<input type="checkbox"/>
Purpose and Type	Water/Sewer	<input type="checkbox"/> Sewer	<input type="checkbox"/>
Purpose and Type			
Purpose and Type			
Purpose and Type			
Project Description	This project consist of 1. Upgrades to the existing Timothy G. Broome Water Treatment Plant to expand treatment capacity from 14 to 18 MGD (Design-Build); 2. Construct approximately 17,000 LF of 16" water main improvements along White Memorial Church Road from NC 210 to Jackson-King Road; 3. Construct wastewater collection system infrastructure to divert wastewater to the new 210 WWTF; 4. Construct approximately 4,300 LF of 8" force main from the Holt Lake WWPS to a manhole on S. Brightleaf Blvd and ww pump station upgrades to 700 gpm; and 5. Replace the existing smaller package booster station with an upgraded booster pump station to increase pumping capacity to 1.5 MGD.		
Statutory Reference	G.S. 159 Article 5 <input type="checkbox"/>	Last Request to Borrow	GO Bond - \$177,000,000 - 5/23/2022
FPICs	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes - Immaterial <input type="checkbox"/> Yes - See attachment for summary and unit response		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Bond Issue or Contract is Necessary or Expedient	Based on current projections, the County will experience a water supply shortage without additional supply and expansion options. The proposed 14 to 18 MGD expansion at the Timothy G. Broome Water Treatment Plant is critical to meet near-term demands. In order to meet growing demands for water portions of the distribution system also require significant system improvements for transmission and storage to meet retail and bulk customer demands.	Proposed Amount is Adequate and Not Excessive	The project is being delivered by a Progressive Design-Build delivery method, and T.A. Loving Company was selected by a competitive procurement process in 2017 to be the project Design-Builder. T.A. Loving Company has since arrived at a Guaranteed Maximum Price (GMP) of \$79,605,000. Construction is anticipated to last 36 months.
Feasibility	The County has provided internal projections for the period 2023-2028. Current projections demonstrate debt service coverages by net revenues of 2.18X in FY2023 and of at least 1.39X thru 2028 on total system debt. The County has proposed a 5.50% water and 5.00% sewer rate increase in FY 24 and expects annual increases of 6.000% for water/sewer rates in FY 2025 through 2028.		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Additional information (as applicable):		
Public Hearing	<input checked="" type="checkbox"/> N/A OR Date	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



Johnston County

Terms	Lender/Purchaser/Bank	<input type="checkbox"/>	Marketability Sell 2023 Water and Sewer Revenue Bonds via a negotiated public sale with R.W. Baird (Sr.) and Wells Fargo N.A. as Underwriters on July 20, 2023.
	Interest Rate	NTE - 6%	
	Term	30 years	
	Payment		
	Structure and Term	2 yrs int. only / 28 yrs level principal and int. debt payme	
	Final Maturity	expected April 1, 2053	Moody's Aa2 <input type="checkbox"/> S&P AA+ <input type="checkbox"/> Fitch N/A
Other:	Closing date August 3, 2023 Rate Consultant - Willdan Financial Services Bond Counsel - Maynard Nexsen, PC		

Financing Team

Financial Advisor	Davenport & Company LLC <input type="checkbox"/>	Co-Manager <input type="checkbox"/>	Wells Fargo Bank, N.A. <input type="checkbox"/>
Underwriter/Senior	R. W. Baird <input type="checkbox"/>		
Lender/Purchaser/Bank	<input type="checkbox"/>		
Underwriter's Counsel	Hawkins Delafield & Wood <input type="checkbox"/>		
Bond Counsel	<input type="checkbox"/>		
Purchaser's Counsel			
Trustee	U.S. Bank Trust Company, N.A <input type="checkbox"/>		
Trustee's Counsel			

Amount Not to Exceed: \$ 85,000,000

Sources:	Amount:
1 2023 Water and Sewer Revenue Bond	\$ 85,000,000
2 County Contribution (Fund Balance)	\$ 4,138,558
3 Appropriation from System Development Fee Reserves Fund	\$ 8,561,242
4	
Total	\$ 97,699,800
Uses:	Amount:
1 Engineering / Technical Services	\$ 2,819,300
2 Construction	\$ 87,371,432
3 Eastfield reimbursement / Easements / Contingency	\$ 6,909,068
4 Financing Costs	\$ 600,000
Total	\$ 97,699,800

Debt and Debt Ratios

Amount	\$ 85,000,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued		Before	
Existing Debt Excluding Enterprise Funds		After	
Estimated Census		Debt Ratio: Debt to Assessed Valuation	
Tax Rate		Before	
Assessed Valuation		After	



LGC Staff Analysis For:	MILLS RIVER, TOWN OF		
Amount Not To Exceed	\$ 2,416,000		
Financing Type	Installment Purchase		
Purpose and Type	General Government	Land	
Purpose and Type			
Project Description	<p>Mills River is purchasing a 34.16 acre parcel adjacent to the existing Town complex which includes Mills River Park and Mills River Town Hall. The property will be used in future expansions.</p> <p>Mills River contacted several financial institutions to determine the bank's rate for this type of transaction and Mills River was quoted 6% from the financial institutions.</p>		
Statutory Reference	G.S. 160A-20	Last Request to Borrow	none-All prior debt is paid off
FPICs	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - Immaterial <input type="checkbox"/> Yes - See attachment for summary and unit response		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Bond Issue or Contract is Necessary or Expedient	<p>The population of Mills River is growing and changing from a farming community to a more industrialized community. The purchase of this property will provide Mills River with future space for a park expansion and construction of a future town hall. The existing Mills River Park is completely built out and citizen visits increase daily. Additionally, the town hall was built for a smaller staff and the staff is continuously growing to provide excellent service to the residents and will soon need additional space.</p>	<p>Proposed Amount is Adequate and Not Excessive</p>	<p>An appraisal was completed and a report provided on April 12, 2023. The appraised amount for this property is \$3,390,000 for the 33.87 acres reported in the Tax records. Based on the recorded plat survey the tract is 34.16 acres and the sale price is \$3,416,000. Both the appraisal price and the sale price are \$100,000 per acre making the amount adequate and not excessive. The town is paying \$1 million cash down and financing the remainder.</p>
Feasibility	No tax increase is anticipated. The General Fund revenues will provide for debt service payments.		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Additional information (as applicable):		
Public Hearing	<input type="checkbox"/> N/A OR Date 5/25/2023	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



MILLS RIVER, TOWN OF

Terms	Lender/Purchaser/Bank		Marketability	
	Interest Rate	5%	Moody's	N/A
	Term	13 years	S&P	N/A
	Payment	monthly principal and interest	Fitch	N/A
	Structure and Term	level principal		
	Final Maturity	NTE 12/31/2036		
Other:	This is an owner financing where the current owner will hold the promissory note for the above agreed upon terms; no outside financial institution will be involved.			

Financing Team

Financial Advisor		
Underwriter/Senior		
Lender/Purchaser/Bank		
Underwriter's Counsel		
Bond Counsel		
Purchaser's Counsel		
Trustee		
Trustee's Counsel		

Amount Not to Exceed: \$ 2,416,000

Sources:	Amount:
1 Owner financing	\$ 2,416,000
2	
3	
4	
Total	\$ 2,416,000
Uses:	Amount:
1 Land Purchase	\$ 2,416,000
2	
3	
4	
Total	\$ 2,416,000

Debt and Debt Ratios

Amount	\$ 2,416,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 0	Before	\$ 0
Existing Debt Excluding Enterprise Funds	\$ 0	After	\$ 341
Estimated Census	7,078	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	.19	Before	0
Assessed Valuation	\$ 1,530,336,195	After	.16



LGC Staff Analysis For:	NASH COUNTY		
Amount Not To Exceed	\$ 6,200,000		
Financing Type	Installment Purchase		
Purpose and Type	Economic Development	Shell Building	
Purpose and Type			
Project Description	Construction of two new Shell Buildings at the Middlesex Corporate Centre and Highway 97.		
Statutory Reference	G.S. 160A-20	Last Request to Borrow	IP 9/21; \$16,000,000
FPICs	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes - Immaterial <input type="checkbox"/> Yes - See attachment for summary and unit response		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Bond Issue or Contract is Necessary or Expedient	Shell buildings are being built with the intention of being sold for economic development and business growth within the County.	Proposed Amount is Adequate and Not Excessive	Costs are known and provided by professional County staff, including licensed engineers from Smithson Inc. Bids were received, opened and awarded in December 2022 for the Middlesex Shell Building and bids were received, opened, and awarded in May 2023 for the Highway 97 Shell Building.
Feasibility	No tax increase is anticipated. The debt service will be paid from the general fund and the sale of the two shell buildings being financed.		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Additional information (as applicable):		
Public Hearing	<input type="checkbox"/> N/A OR Date 6/5/2023	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



NASH COUNTY

Terms	Lender/Purchaser/Bank	United Community Bank	Marketability Moody's N/A S&P N/A Fitch N/A	
	Interest Rate	5.270%		
	Term	10 Years		
	Payment	Annually		
	Structure and Term	Level Principal		
	Final Maturity	June 1, 2033		
Other:	Installment Purchase is more timely and feasible than G.O. Bond.			

Financing Team

Financial Advisor	Davenport & Company LLC	Bank's Counsel	Parker Poe Adams & Bernstein, LLP
Underwriter/Senior			
Lender/Purchaser/Bank	United Community Bank		
Underwriter's Counsel			
Bond Counsel	Womble Bond Dickinson (US) LLP		
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$ 6,200,000

Sources:	Amount:
1 Combined Loan	\$ 6,200,000
2 Prior Sale proceeds (Middlesex)	\$ 1,597,087
3 SCIF Grant (HWY 97)	\$ 1,000,000
4	
Total	\$ 8,797,087
Uses:	Amount:
1 Middlesex Construction, Architecture, and Other Costs	\$ 3,382,098
2 HWY 97 Construction, Architecture, and Other Costs	\$ 5,234,989
3 Cost of Issuance/Rounding	\$ 180,000
4	
Total	\$ 8,797,087

Debt and Debt Ratios

Amount	\$ 6,200,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 0	Before	\$ 540
Existing Debt Excluding Enterprise Funds	\$ 51,729,501	After	\$ 605
Estimated Census	95,789	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	0.67	Before	0.61%
Assessed Valuation	\$ 8,447,731,849	After	0.69%



LGC Staff Analysis For:	STATESVILLE, CITY OF		
Amount Not To Exceed	\$ 9,400,000		
Financing Type	Installment Purchase		
Purpose and Type	General Government	Fire Department	
Purpose and Type	General Government	Building	
Purpose and Type			
Purpose and Type			
Purpose and Type			
Project Description	<p>1. New 26,000 square foot, 2 story Fire Station (Fire Station #1) will replace old station and is a design build project. 2. New Municipal Operations Center on land owned by the city. Upon final completion, it will consist of a vehicle Maintenance Garage, Electric Utilities Department, Storage Building and covered parking.</p>		
Statutory Reference	G.S. 160A-20	Last Request to Borrow	SRF 11/15; \$4,445,972
FPICs	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes - Immaterial <input type="checkbox"/> Yes - See attachment for summary and unit response		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Bond Issue or Contract is Necessary or Expedient	Fire Station improvements ensure that the Fire Department maintains the ability to provide adequate safety measures to the community. The Operations Center will house the City's Electric Utilities Department, as well as necessary storage and garage space to better serve the citizens of Statesville.	Proposed Amount is Adequate and Not Excessive	Costs are known and defined. Bids received, opened and awarded in June 2023 and the Guaranteed Maximum Price (GMP) was provided for the fire station in February 2023.
Feasibility	No tax increase anticipated. The debt service will be paid for from the general fund and ARPA Funds. The electric department will be responsible for their respective portion of the project through reserves for the City's electric facilities.		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Additional information (as applicable):		
Public Hearing	<input type="checkbox"/> N/A OR Date 6/5/2023	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



STATESVILLE, CITY OF

Terms	Lender/Purchaser/Bank	Truist Commercial Equity, Inc.	Marketability		
	Interest Rate	4.04%			
	Term	15 years			Moody's N/A
	Payment	Semi-Annually interest; Annual principal			S&P N/A
	Structure and Term	Level Principal			Fitch N/A
	Final Maturity	6/1/2038			
Other:	Installment Purchase is more timely and feasible than G.O. Bond.				

Financing Team

Financial Advisor	Davenport & Company LLC	Bank's Counsel	Moore & Van Allen, PLLC
Underwriter/Senior			
Lender/Purchaser/Bank	Truist Commercial Equity, Inc.		
Underwriter's Counsel			
Bond Counsel	Womble Bond Dickinson (US) LLP		
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$ 9,400,000

Sources:	Amount:
1 Truist Loan	\$ 9,400,000
2 General Fund Cash/Reserves	\$ 5,570,379
3 ARPA Funds	\$ 7,200,000
4	
Total	\$ 22,170,379
Uses:	Amount:
1 Fire Station Cost and FF&E	\$ 14,770,379
2 Operations Center (GF Portion)	\$ 5,500,000
3 Ops Center FF&E, Design Costs, Other Costs	\$ 1,637,036
4 Issuance Cost/Contingency	\$ 262,964
Total	\$ 22,170,379

Debt and Debt Ratios

Amount	\$ 9,400,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 0	Before	\$ 0
Existing Debt Excluding Enterprise Funds	\$ 0	After	\$ 317
Estimated Census	29,681	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	.5478	Before	0.00%
Assessed Valuation	\$ 4,699,700,000	After	0.20%



Unit	Miscellaneous Action Item
<p>GASTONIA HOUSING AUTHORITY</p>	<p>The financing for Fairhaven Place was approved by the LGC on October 4, 2022 with a not to exceed bond amount of \$39 million, including \$22 million of tax-exempt Series A and \$17 million of taxable Series B Multifamily Housing Revenue Notes (the "Multifamily Notes"). On March 7, 2023, due to rising construction costs, the LGC approved a not-to-exceed amount of \$47,900,000, consisting of up to \$24.9 million of tax-exempt Series A and \$23 million of taxable Series B, a not to exceed interest rate of 12% and a not to exceed maturity date of December 31, 2042. The approval included a private placement with Pacific Western Bank.</p> <p>The borrower recently secured improved financing terms by transitioning to a private placement with Cedar Rapids Bank and Trust Company. The tax-exempt bonds will not exceed \$24.9 million which will be issued by the Gastonia Housing Authority and the approximate \$23 million taxable portion of financing will be a direct loan between the bank and the borrower (no LGC approval required for the taxable portion). Gastonia Housing Authority is requesting approval of the bank change as well as an extension of the maturity date which is not to exceed December 31, 2046. The remaining terms of not to exceed of \$47 million and the not to exceed interest rate of 12% both remain the same.</p>



Unit	Miscellaneous Non-Action Item Description
<p>Charlotte-Mecklenburg Hospital Authority dba Atrium Health</p>	<p>On August 19, 2007 the LGC approved the issuance of Health Care Revenue and Revenue Refunding Bonds in an amount not to exceed \$1,265,000,000, which included the initial issuance of the Series 2007D & 2007F bonds. On January 8, 2013 the LGC approved amending and restating the Series Resolutions and conversions to bank direct purchase modes for the Series 2007D & 2007F bonds. On May 30, 2023, the Authority and the Bond Purchaser (PNC) modified the direct purchase rate for the Series 2007D & 2007F bonds from LIBOR to SOFR due to LIBOR ceasing to be published at the end of June 2023 and extended the holding periods of the Series 2007D & 2007F Bonds for three years to May 29, 2026.</p>



Unit	Miscellaneous Non-Action Item Description
<p>INLIVIAN (Charlotte Housing Authority)</p>	<p>The LGC approved a Revenue Bond at its February 7, 2023 meeting for INLIVIAN -Creekridge on the Park. At the time of the LGC approval, the construction lender was expected to be Deutsche Bank. The borrower was able to get better loan terms by switching the construction lender to Truist Bank. Truist is now coming into the deal as both the construction lender and the equity investor. The overall deal structure is not changing – this will still be a Freddie Mac tax-exempt loan deal with Freddie Mac providing the permanent financing. The not to exceed amount of \$30,000,000, not to exceed maturity date of December 31, 2044, and the not to exceed tax-exempt interest rate of 12% approved by the LGC are not changing.</p>