



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2024-369

Agenda Item# I.10.

Agenda Date: 5/21/2024. **Department:** Financial & Administrative Services
Meeting Type: Council Meeting **Category:** General Business Agenda

Title: 2024 – 369 Resolution Providing for the Sale and Issuance of a Not to Exceed \$20,000,000 Taxable Combined Enterprise System Revenue Bond Anticipation Note, Series 2024A

Council Priority: Place an 'x' in the box.

- | | |
|--|--|
| <input type="checkbox"/> Safest City | <input type="checkbox"/> Most Skilled Workforce |
| <input type="checkbox"/> Easiest Place to Do Business | <input type="checkbox"/> Most Connected City |
| <input type="checkbox"/> Youth Sports Capital | <input type="checkbox"/> Hub of Recreation and Entertainment |
| <input type="checkbox"/> Abundance of Attainable Housing | <input checked="" type="checkbox"/> Other/Admin <u>Funding of Infrastructure</u> |

Council District: All

Public Hearing: No

Advertising Date/By: N/A

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Contact 2 and Phone: Anita Wilson, Ext.2817

PURPOSE:

The City proposes to issue up to \$20 million taxable variable-rate Combined Enterprise System Revenue Bond Anticipation Notes 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 issuance of 30-year fixed-rate revenue bonds which is planned for 2026. Issuance of the BANs requires City Council adoption of the attached resolution.

BACKGROUND:

This proposed financing provides continued development of the Greensboro-Randolph Megasite, Townsend Water Treatment Plant major electrical improvements, T.Z. Osborne Wastewater Treatment Plant Incinerator Design Build, and Mitchell Water Treatment Plant emerging contaminants, among others, along with funding debt issuance costs.

The up to \$275 million Note is planned to be issued on June 25, 2024 pursuant to an agreement with PNC Bank and is planned to be refinanced in two years with 30-year fixed-rate revenue bonds.

Vision Statement: "A Community with Endless Economic Opportunities and Exceptional Quality of Life."

The Note will be issued in two Series – up to \$20 million Series 2024A (taxable) and up to \$255 million Series 2024B (tax-exempt).

The Local Government Commission approved the City’s application for the revenue bonds and BANs on May 7, 2024 in an aggregate principal amount not to exceed \$275 million.

A copy of the Draft Note Purchase and Advance Agreement may be viewed at the following link:

<https://www.greensboro-nc.gov/home/showdocument?id=59085>

BUDGET IMPACT:

Repayment of the debt service on outstanding revenue bonds and proposed 2024 BANs will be included in the annual appropriations of the Water Resources Enterprise Fund and will require an increase in water and sewer rates in future years. Under current economic conditions, the BANs can be marketed at reasonable rates of interest, which approximates 4.58% or \$458,000 annually for each \$10 million in Tax-Exempt and Taxable BANs issued.

ACCOUNT NUMBER:

N/A

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council adopt the attached resolution authorizing the issuance of not to exceed \$20,000,000 Combined Enterprise System Revenue Taxable BANs and other actions in connection therewith.