



City of Greensboro

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

Agenda Report

File Number: 2024-453

Agenda Item# I.3.

Agenda Date: 6/18/2024. **Department:** Financial & Administrative Services
Meeting Type: Council Meeting **Category:** General Business Agenda

Title: 2024 – 453 Resolution to Approve Issuance and Sale for 2024 LOBs for Garage Facility and Other Improvements

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: Yes

Advertising Date/By: 5/23/2024

Contact 1 and Phone: Marlene Druga, Ext.2094

Contact 2 and Phone: Sam Johnson, Ext. 2893

PURPOSE:

To approve and authorize the sale and issuance of up to \$47.5 million in tax-exempt limited obligation bonds on or about July 17, 2024 to finance the design, site preparation and construction of a new Fleet Garage Facility and related financing costs. The bond sale will also finance various other capital improvement and maintenance projects for the City, including parks and recreation, library roof, among others. Issuance of the bonds to finance these projects is subject to approval by City Council and the Local Government Commission.

BACKGROUND:

This proposed financing will fund the design, site preparation and construction of a new Fleet Garage Facility on Patton Avenue and various other improvement projects, including reimbursing the City for design expenses already incurred toward these projects.

To finance the projects, the City will issue tax-exempt limited obligation bonds pursuant to a master trust agreement with U.S. Bank (bond trustee) and a bond purchase agreement with Wells Fargo Bank, N.A. The interest on the installment financing will have an overall 20-year term with a projected average interest rate of approximately 3.87%.

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

If approved by the Local Government Commission on July 9, 2024, bond sale will occur on July 17, 2024.

Drafts of related bond documents may be reviewed at the following links:

Master Trust Agreement <https://www.greensboro-nc.gov/home/showdocument?id=59307>

First Supplemental Trust Agreement
<https://www.greensboro-nc.gov/home/showdocument?id=59305>

Deed of Trust <https://www.greensboro-nc.gov/home/showdocument?id=59303>

Bond Purchase Agreement <https://www.greensboro-nc.gov/home/showdocument?id=59301>

Preliminary Official Statement and Appendix A
<https://www.greensboro-nc.gov/home/showdocument?id=59309>
<https://www.greensboro-nc.gov/home/showdocument?id=59299>

BUDGET IMPACT:

Annual debt service on the bond issuance will be included in the Debt Service Fund, estimated at average \$3.2 million annually. No property tax increase is needed to fund these improvements.

ACCOUNT NUMBER:

689- Various
420- Various

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council approve the attached resolution authorizing the sale and issuance of tax-exempt limited obligation bonds for the new Fleet Garage Facility and various capital improvement projects in an amount not to exceed \$47.5 million.