



**NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT
OF PROPOSED LOCAL GOVERNMENT FINANCING**

June 20, 2012

Joint Legislative Committee on Local
Government
16 West Jones Street
Raleigh, North Carolina 27601
Attention: Committee Chairs and Committee
Assistant

Fiscal Research Division
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925
Attention: Mark Bondo

North Carolina Local Government Commission
325 North Salisbury Street
Raleigh, North Carolina 27603-1388
Attention: Secretary

***Town of Huntersville, North Carolina
General Obligation Street Bonds
General Obligation Public Improvement Bonds
General Obligation Parks and Recreation Bonds***

In accordance with N.C. Gen. Stat. §120-157.2(a), the Town of Huntersville, North Carolina (the "Town") hereby notifies you of its intent to place a referendum on the ballot on November 6, 2012 to seek voter approval for the issuance of general obligations bonds for the following purposes and in the following maximum amounts:

(1) \$17,850,000 of general obligations bonds to pay the capital costs of constructing, reconstructing, enlarging, extending and improving streets and non-motorized paths, including streets and roads constituting a part of the State highway system or otherwise the responsibility of the State and including the cost of related studies, streetscape and pedestrian improvements, relocation of utilities, plans and design; acquiring, constructing, reconstructing, widening, extending, paving, resurfacing, grading or improving streets, roads and intersections; acquiring, constructing, reconstructing or improving sidewalks, curbs, gutters, drains, bridges, overpasses, underpasses and grade crossings and providing related landscaping, lighting and traffic controls, signals and markers; and acquiring land, rights-of-way and easements required for any of the foregoing;

(2) \$7,150,000 of general obligations bonds to pay the capital costs of public improvements in the Town, including the construction of firefighting facilities, improvements to existing administration and public safety facilities and the construction of streetscape and pedestrian improvements, sidewalks, curbs, gutters, drains, bridges,

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overpasses, underpasses and grade crossings, lighting and traffic controls, signals and markers; and acquiring land, rights-of-way and easements required for any of the foregoing; and

(3) \$5,000,000 of general obligations bonds to pay the capital costs of acquiring and constructing parks and recreation facilities and athletic fields, including the construction of a Town recreation center; renovating existing parks and recreation facilities and athletic fields, including improvements to the Huntersville Market and the Huntersville Family Fitness & Aquatics facility; developing parkland, greenways and trails; and acquiring land, rights-of-way and easements for park and recreation uses, if necessary.

If approved by the voters, the Town expects to issue the general obligation bonds for the purposes described above in one or more series beginning in 2013. The Town will annually levy and collect a tax sufficient to pay the principal of and interest on any such bonds issued by the Town. The Town expects that the term of any series of bonds will not exceed 20 years. The interest rate on any series of bonds will depend on market conditions at the time such bonds are issued.

The Town's Board of Commissioners has adopted a debt policy for the Town. Capital projects financed through the issuance of bonds shall be financed for a period not to exceed 1.2 times the expected useful life of the project. The general obligation debt of the Town will not exceed 4% of the assessed valuation of the taxable property of the Town. Total debt service on tax-supported debt of the Town will not exceed 15% of the total general government operating revenue. Interest, operating, and/or maintenance expenses will be capitalized only for facilities of enterprise activities and will be strictly limited to those expenses incurred prior to actual operation of the facilities. Capitalized interest will be utilized only for enterprise projects that rely on revenue to support debt. The Town will maintain its financial condition so as to maintain investment grade bond ratings. The Town's debt policy will be comprehensive and the Town will not knowingly enter into any contracts creating significant unfunded liabilities.

The Town will submit to the Local Government Commission its application relating to the Bonds following the prescribed notice period established under The Local Government Bond Act. At such time, I will forward to you under separate cover a copy of that application. Please feel free to contact me with any additional questions.

TOWN OF HUNTERSVILLE, NORTH CAROLINA

By: 

Janet H. Stoner
Finance Director



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John F. Henning, Sr.
John F. Henning, Jr.

June 18, 2012

Joint Legislative Committee on Local Government
Attention: Committee Chairs, Committee Ass't
North Carolina General Assembly
16 West Jones Street
Raleigh, NC 27601

Fiscal Research Division
Attention: Director
North Carolina General Assembly
300 North Salisbury Street, Ste. 610
Raleigh, NC 27603

**Notice to the Joint Legislative Committee on Local Government Concerning
Proposed Financing by the Town of Franklin**

To the Committee:

As counsel for the Town of Franklin (the "Town"), I write to you to provide notice pursuant to N.C.G.S. §120-157.2 of a proposed local government capital project that requires approval by the North Carolina Local Government Commission (the "LGC") and required debt to be issued in an amount exceeding \$1,000,000.00. The purpose of the issuance of the debt described herein is 1) to refund debt previously issued via an installment financing agreement that financed the purchase and construction of Town administrative buildings; and 2) for the purchase of retail space for The Town of Franklin ABC Board's use as tenant.

The Town expects to seek approval from the LGC at its meeting on August 7, 2012, for the issuance of debt pursuant to an installment financing agreement in an amount estimated to be no more than \$4,500,000.00*. As stated above, the purpose of the issuance of the debt described herein is to refund debt issued in 2009 for Town capital projects, to wit: its Town Hall, public safety building, and works department building. The Town will complete its scheduled payments within the 11 years remaining in its

Notice to Joint Committee – Town of Franklin

6/18/12

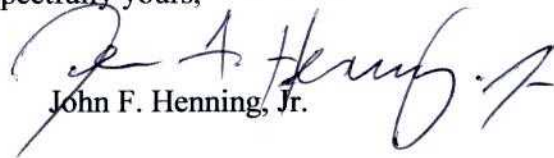
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2009 repayment schedule. The estimated all-in true interest cost is anticipated to be approximately 3.0%*.

At the same LGC meeting, the Town expects to seek approval for the issuance of debt for the installment purchase of retail space for the use of the Town of Franklin's ABC Board, in an amount estimated to be no more than \$1,350,000.00*. The debt is anticipated to be amortized for a period of either 15 or 20 years, and with an estimated all-in true interest cost of approximately 3.50%* or 4.25%*, respectively.

Please let me know if you have any questions or concerns regarding this proposed financing.

Respectfully yours,



John F. Henning, Jr.

*Please note: actual amounts and interest rates subject to change until receipt of financing bids and completion of documentation.

Cc: T. Vance Holloman, Secretary of the LGC
c/o Gordon Johnson
Janet Anderson, Town of Franklin Finance Officer
(both via email)