

Sanford Holshouser LLP

209 Lloyd St., Suite 350
Carrboro, NC 27510

October 17, 2013

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

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

**Notice to the Joint Legislative Committee on Local Government
Concerning Proposed Financing by Orange County**

To the Committee:

As special counsel to Orange County, North Carolina, I am providing this notice in accordance with N.C. Gen. Stat. Section 120-157.2 of a proposed local government capital project that requires approval of the North Carolina Local Government Commission and requires debt to be issued in an amount exceeding \$1,000,000. The following is additional information concerning the proposed financing –

Project description – various public improvements, as described on Exhibit A

LGC meeting for consideration – December 3, 2013

Estimated amount to be financed – \$10,500,000

Type of financing – installment financing under Section 160A-20

Description of other sources of financing – The County expects that the amount borrowed will pay substantially all the costs of the projects.

Estimated financing term – The County expects a financing term of approximately 15 years. The principal payment schedule will be structured to amortize the different components of the financing over their respective useful lives.

Sanford Holshouser LLP

October 17, 2013

page 2

Estimated interest rate – Under current market conditions, the County expects a true interest cost of the financing of approximately 3.00%.

Expected source of repayment – substantially all from general fund revenues

Please let me know if you have additional questions or comments for me about this proposed financing.

Very truly yours,

A handwritten signature in dark ink, reading "Robert M. Jessup Jr." in a cursive style.

Robert M. Jessup Jr.

cc: T. Vance Holloman, Secretary of the Local Government Commission
c/o Biff McGilvray
Clarence G. Grier, Orange County finance officer
John L. Roberts, Orange County Attorney
Representatives of Davenport & Co., the County's financial adviser
Mark Bondo, legislative staff [mark.bondo@ncleg.net]
(each by electronic mail)

Sanford Holshouser LLP

October 17, 2013

page 3

Exhibit A – proposed projects for Orange County financing

Project	Estimated Amount (\$)
Culbreth Middle School Science Wing addition – construction and equipping	4,971,676
HVAC projects	130,000
Roofing projects	115,000
Information technology (including firehouse software and central permitting software)	1,436,000
Whitted Building – renovation costs and recapture of planning costs	1,700,000
VIPER radio system	500,000
Communication system improvements	709,062
Vehicle replacements	899,416
<i>TOTAL</i>	10,461,154



CITY MANAGER
W. LANE BAILEY

CITY OF LENOIR
NORTH CAROLINA

MAYOR
JOSEPH L. GIBBONS

October 14, 2013

Joint Legislative Committee on Local Government
Committee Chair and Committee Assistant
N.C. General Assembly
16 W Jones Street
Raleigh, North Carolina 27601

CITY COUNCIL
T. H. PERDUE
M. F. PERRY
H. L. PRICE
T. J. ROHR
D. F. STEVENS
R. R. STILWELL
B. K. WILLIS

✓Fiscal Research Division
N.C. General Assembly
Suite 619
Legislative Office Building
300 N Salisbury Street
Raleigh, North Carolina 27603-5925

RE: Financing of Wastewater Improvements
City of Lenoir, North Carolina

Dear Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the North Carolina General Statutes, the City of Lenoir is notifying you of its intent to enter into a Clean Water State Revolving Fund (SRF) loan for the Meadowood Sewer Replacement project. The proposed project generally includes the replacement of approximately 8,400 linear feet of 12-inch diameter gravity sewer, manholes, and related appurtenances. The estimated SRF loan amount of \$1,275,000 at 0% interest will be used to finance the project. The required 2% loan closing fee would be paid directly by the City. The City has a substantial amount of debt being paid off over the next several years and will use a combination of fund balance and rate increases to fund the project.

If additional information is needed, please contact me by phone at (828) 757-2200, or by mail at 801 West Avenue NW, Lenoir, North Carolina 28645.

Sincerely,
CITY OF LENOIR


W. Lane Bailey, City Manager

cc: Vance Holloman, Secretary
Local Government Commission
N.C. Dept. of State Treasurer
325 N. Salisbury Street
Raleigh, North Carolina 27603-1385

Radford Thomas, Public Utilities Director
Joel Whitford, McGill Associates