



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

June 14, 2017

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

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

North Carolina Local Government Commission
3200 Atlantic Avenue
Longleaf Building
Raleigh, North Carolina 27604
Attention: Secretary

***City of Kannapolis, North Carolina
Installment Financing***

and

***City of Kannapolis, North Carolina
Water and Sewer Revenue Bond***

Installment Financing

In accordance with N.C. Gen. Stat. §120-157.2(a), the City of Kannapolis, North Carolina (the "City") hereby notifies you of its intent to execute and deliver an installment financing ("Installment Financing") entered into under Section 160A-20 of the General Statutes of North Carolina in an approximate principal amount not to exceed \$8,000,000 with a financial institution to be determined, for a term not to exceed 20 years. The City intends to apply the proceeds of the Installment Financing (1) to finance some or all of (a) the acquisition of a fire truck, (b) the acquisition and construction of underground utility infrastructure, (c) the acquisition of a building located at 280 Highway 29 South in the City, (d) the improvement of Village Park located along A and C streets and North Loop Road in the City and (e) improvements to the City's public works facility (collectively, the "Projects"); and (2) to pay certain costs incurred in connection with the execution and delivery of the Contract.

PPAB 3742538v4

The Installment Financing will be secured by a lien on some or all of the Projects. The Installment Financing may also be secured on a parity basis with the City's Limited Obligation Bonds, Series 2014 pursuant to a deed of trust originally executed in 2014 granting a first lien of record on the City's interest in the real property on which the City's city hall and law enforcement center is located on the campus of the North Carolina Research Center in the City, and all improvements thereon.

The City's obligation to make payments under the Installment Financing is a limited obligation of the City, subject to annual appropriation, and does not constitute a direct or indirect pledge of the faith and credit or the taxing power of the City. The City will request that the Local Government Commission of North Carolina (the "*Commission*") consider for approval the City's proposal to execute and deliver the Installment Financing at the Commission's meeting scheduled for August 1, 2017, or at such other meeting as the City and the Commission may determine.

Water and Sewer Revenue Bond

In accordance with N.C. Gen. Stat. §120-157.2(a), the City hereby notifies you of its intent to issue its Water and Sewer Revenue Bond (the "*Bond*") in an approximate principal amount not to exceed \$7,500,000 to finance the costs of improving the City's water and sewer system. The City expects that the term of the Bond will not exceed 20 years. The Bond will be special obligations of the City secured by and payable from the revenues of the City's water and sewer system. The City will request approval of the Bond from the Commission at its meeting scheduled for August 1, 2017, or at such other meeting as the City and the Commission may determine, and issue the Bond as soon after approval as practicable.

If you have any further questions please feel free to contact me at (704) 920-4380.

CITY OF KANNAPOLIS, NORTH CAROLINA

By:



Eric Davis
Finance Director