



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

November 22, 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
Limited Obligation Bonds***

and

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

Limited Obligation Bonds

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 seek approval of the North Carolina Local Government Commission (the “Commission”) (1) to finance some or all of (a) greenway improvements, (b) two fire stations, (c) improvements to property owned by the City to be used by the community college, (d) infrastructure improvements to downtown area and (e) a parking facility in downtown (collectively, the “Projects”); and (2) to pay certain costs incurred in connection with the execution and delivery of the financing for the Projects.

Pursuant to N.C. Gen. Stat. §160A-20, the City and Kannapolis Public Facilities Corporation (the “Corporation”) have previously entered into an installment financing contract to finance a city hall and law enforcement center (the “Contract”). To secure its obligations under the Contract, the City has granted to the Corporation and its assigns a lien on the real property on certain of the city hall and law enforcement center (the “Collateral”).

PPAB 3956472v1

To finance the Projects, the City and the Corporation expect to enter into an amendment to the Contract and, in connection with such amendment, the Corporation expects to execute and deliver limited obligation bonds in a principal amount of approximately not to exceed \$45,00,000 (the "LOBs"). The LOBs will be secured on parity with the City's existing obligations under the Contract by a lien on the Collateral and a portion of the Projects to be financed. The LOBs will amortize over a term of approximately 20 years.

The obligation of the City to make the installment payments and additional payments under the Contract will constitute a limited obligation of the City, payable solely from currently budgeted appropriations of the City and shall not constitute a general obligation or other indebtedness of the City within the meaning of the Constitution of the State of North Carolina or a direct or indirect pledge of the faith and credit or taxing power of the City within the meaning of the Constitution.

The City expects that the North Carolina Local Government Commission (the "Commission") will consider for approval the City's proposal to finance the Projects at the Commission's meeting scheduled for January 9, 2018 or such later 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 Bonds (the "Bonds") in an approximate principal amount not to exceed \$20,000,000 to finance the costs of improving the City's water and sewer system. The City expects that the term of the Bonds 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 expects that the Commission will consider for approval the City's proposal to issue the Bonds to finance the proposed projects at the Commission's meeting scheduled for January 9, 2018 or such later meeting as the City and the Commission may determine.

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