



Dawn H. Morgan, Mayor
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P.O. Box 728
Kernersville, NC 27285-0728

134 East Mountain Street
Telephone: (336) 996-3121

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7016-3010-000-1739-9843

July 12, 2017

Joint Legislative Committee on Local Government
North Carolina General Assembly
Legislative Building
16 West Jones Building
Raleigh, North Carolina 27601

Attention: Committee Chairs and Committee Assistant

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

RE: Financing of purchases and projects by the Town of Kernersville of Kernersville, North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the Town of Kernersville, North Carolina (the Town) hereby notifies you of its intent to file applications with the Local Government Commission for approval of installment financing contracts. The applications will be for approval of financing contracts to purchase land, construct a new Fire Station, and make paving improvements.

The first financing contract component will be for land purchases comprised of three (3) real property parcels within the Town. Parcel 1 located at 109 South Cherry Street and contains a two-story residential structure built in 1915. It will be utilized for future public purpose, possibly being renovated as a historic museum. Parcel 2 is located at 137 West Mountain Street and is currently vacant. It will be utilized for future public purpose, possibly remaining vacant, developed into a downtown park, or used as public parking.

Parcel 3 is located at 401 South Main Street, adjacent to the historic landmark Korner's Folly museum and playhouse. This property will be utilized for future public purpose, possibly remaining vacant as an overflow parking area for Korner's Folly. The loan amount for the three parcels shall not exceed \$552,000 and will be financed for a period of ten (10) years at an anticipated rate of approximately 3.25%.

The second financing contract component will be for land and construction of a new Fire Station. The new Fire Station will replace Fire Station #42 that has been "temporarily" located at its current site since the late 1970's. The proposed property is located in Kernersville at 781 Park Centre Drive off NC Highway 66. The loan amount shall not exceed \$6,900,000 and will be financed for a period of fifteen (15) years at an anticipated rate of approximately 3.50%.

ALDERMEN

Kenny Crews - Irving Neal - Joe L. Pinnix Jr. - Tracey H. Shifflette - Chris Thompson



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The third financing contract component will consist of paving improvements on Town-owned streets throughout Kernersville. The paving improvements are estimated at a total of \$1,000,000. The Town wishes to finance this project for a period of ten (10) years at an anticipated rate of approximately 3.25%.

The Town of Kernersville – Board of Aldermen approved the Fiscal Year 2017-18 annual operating budget on June 27, 2017. Within this budget, a schedule of fees, charges and other available funds will provide adequate funding for Town operations including the repayment of the loans associated with the aforementioned purchases. There will be no tax increase for the purpose of funding annual loan payments. The Town anticipates the North Carolina Local Government Commission will consider approval of the issuance of this proposed debt at its meeting on September 12, 2017.

Please do not hesitate to contact me at 336-992-0504 or fader@toknc.com if you require further information.

TOWN OF KERNERSVILLE, NORTH CAROLINA

By:  _____

Franz Ader, PE, MPA

Finance Director

ALDERMEN

Kenny Crews - Irving Neal - Joe L. Pinnix Jr. - Tracey H. Shifflette - Chris Thompson

