

SanfordHolshouser

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October 18, 2017

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 the Town of Surf City

To the Committee:

As counsel to the Town of Surf City, North Carolina, and as required under N.C. Gen. Stat. Section 120-157.2, I am providing this notice 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. Here is information about the proposed financing –

Project description – The Town plans to finance a variety of water and sewer system upgrades and renovations, including extending water and sewer lines to a new school facility and improvements to its waste water treatment plant.

LGC meeting for consideration – December 5, 2017

Amount to be financed – total project amount estimated as up to approximately \$22,000,000; Phase 1 financing estimated as up to approximately \$7,353,000

Type of financing – USDA revenue bonds, along with revenue bond anticipation notes

Estimated financing term – The Town expects a financing term of approximately 40 years, which essentially approximates the expected useful life of the property being financed.

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Estimated interest rate – USDA has committed to a permanent financing rate of 3.25%. The rate on the construction financing is expected to be lower.

Expected source of repayment – water and sewer enterprise 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 black ink, appearing to read "Ashley L. Anderson", with a long horizontal flourish extending to the right.

Ashley L. Anderson

cc: Greg C. Gaskins, Secretary of the Local Government Commission
c/o Phillip Anderson
Ashley Loftis, Surf City finance officer
Daniel Sater, legislative staff
(each by electronic mail)