

SanfordHolshouser

209 Lloyd Street, Suite 350 | Carrboro, NC 27510
www.sanfordholshouserlaw.com

August 2, 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 Stoneville

To the Committee:

As counsel to the Town of Stoneville, 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 debt to be issued. Here is information about the proposed financing –

Project description – sewer system improvements, especially including line rehabilitation

LGC meeting for consideration – October 2017

Amount to be financed – estimated as up to approximately \$813,000. Although this amount is below the \$1 million threshold, we are making this filing now so that any unexpected increase in the required financing amount does not cause undue delay in the debt issuance process.

Type of financing – revenue bonds to be purchased by the United States of America – Department of Agriculture, along with short-term private construction financing

Description of other sources of financing – USDA has committed grant funds to the Town for the project in the amount of \$1,865,000.

Sanford Holshouser LLP

August 2, 2017

page 2

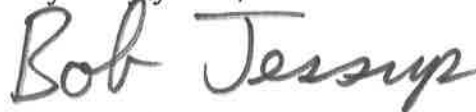
Estimated financing term – The Town expects a permanent financing term of approximately 40 years, which approximates the expected useful life of the property being financed. The short-term construction financing has an expected term of approximately one year.

Estimated interest rate – The USDA financing commitment sets an interest rate not to exceed 2.25%. The Town expects that the interest rate for the construction financing will 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 dark ink that reads "Bob Jessup". The signature is written in a cursive, flowing style.

Robert M. Jessup Jr.

cc: Greg C. Gaskins, Secretary of the Local Government Commission
c/o Phillip Anderson
Joanna Dalton, Town of Stoneville finance officer
Lisa Arthur, Town of Stoneville attorney
Daniel Sater, legislative staff [Daniel.sater@ncleg.net]
(each by electronic mail)