

# SanfordHolshouser

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January 16, 2018

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 Fallston**

To the Committee:

As counsel to the Town of Fallston, 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 improvements to the Town's public water system to consolidate water supply and delivery with Cleveland County Water.

**LGC meeting for consideration** – March 6

**Amount to be financed** – USDA RUS loan commitment for \$1,857,000

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

**Description of other sources of financing** – Town contribution of \$100,000 and a \$1,392,000 USDA grant; total project amount estimated as up to approximately \$3,349,000



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**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.

**Estimated interest rate** - Based on the USDA loan commitment conditions, the Town expects a true interest cost of the financing of approximately 2.00%

**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, reading "Ashley L. Anderson". The signature is fluid and cursive, with the first name "Ashley" being more prominent and the last name "Anderson" following in a similar style.

Ashley L. Anderson

cc: Greg C. Gaskins, Secretary of the Local Government Commission  
c/o Phillip Anderson  
Mary Boggs, Town of Fallston  
Brad Cornwell, Cleveland County Water, General Manager  
Daniel Sater, legislative staff  
(each by electronic mail)