



February 23, 2018

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

Mr. Trogdon:

Re: Proposed Financing for construction of Knightdale Station Park Phase III in the amount of \$1,875,000

The Town of Knightdale intends to file an application with the Local Government Commission for approval of an installment financing agreement authorized by North Carolina General Statute 160A-20. The loan application will be for a bank qualified installment purchase agreement of \$1,875,000 to finance the construction of Phase III of improvements to Knightdale Station Park to include two parking lots, sidewalk promenades, streetscape improvements, walking trails, landscaping, a veterans memorial plaza, a storm water control measure, one picnic shelter, performance stage with associated plumbing, mechanical and electrical development, new site lighting and related site and infrastructure improvements.

The Town acquired approximately 73 acres of land in fiscal year 2011 financed with Build America Bonds in the amount of \$2,821,500 through PNC Bank payable in ten annual installments of \$282,150 plus interest. The outstanding principal on this debt was \$846,450 with final payment due in July of 2020. The Town prepaid this debt in full including interest and prepayment penalty on February 22, 2018. This clears the title on the property so that the 73 acres of land can serve as collateral on the new debt with the exclusion of five lots adjacent to First Avenue that will be sold and privately developed at some point in the future. Development of the property to date includes parking, pavilions, walking paths, bathrooms, picnic tables, soccer fields, playground, and a dog park. A splash pad for the park is currently under design at an estimated cost of \$575,000 and will be partially funded through a CDBG grant in the amount of \$330,000. Estimated construction costs for the current project are \$3,600,000. The Town of Knightdale contracted with CLH Designs for the project design and contract administration for the project construction. The project has been bid and Council awarded the bid and authorize the Town Manager to execute the construction contract pending attorney review to Jackson Builders in the amount of \$3,533,400 at its February 21, 2018 meeting. The existing project ordinance was amended at the same meeting to provide funding for the project with \$550,000 coming from the existing project ordinance, \$300,000 from General Fund reserves, \$875,000 from Capital Reserve Fund reserves, and the remaining \$1,875,000 from the issuance of debt.

The Town plans to borrow \$1,875,000 over ten years at an estimated interest rate of 3.5%. Proposals for funding have been sent to nine financial institutions with responses due back by March 15<sup>th</sup> for a public hearing and council approval of the financing contract at their March 21, 2018 meeting. Advertisement of

the public hearing is scheduled for March 2, 2018 and again on March 9, 2018. It is the Town's intent to be placed on the Local Government Commissions May meeting agenda with the financing contract executed by May 15, 2018.

If you need any additional information please contact me at (919)-217-2210 or by email at [kim.kenny@knightdalenc.gov](mailto:kim.kenny@knightdalenc.gov).

Sincerely,



Kimberly Kenny  
Finance Officer