

Ben Cahoon
Mayor

Susie Walters
Mayor Pro Tem

Cliff Ogburn
Town Manager



Town of Nags Head

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M. Renée Cahoon
Commissioner

J. Webb Fuller
Commissioner

Michael Siers
Commissioner

**NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT
OF PROPOSED LOCAL GOVERNMENT FINANCING**

March 6, 2018

Joint Legislative Committee on Local Government
16 West Jones Street
Raleigh, North Carolina 27601
Attention: Committee Chairs and Assistant

North Carolina Local Government Commission
3200 Atlantic Avenue
Longleaf Building
Raleigh, North Carolina 27604
Attention: Secretary

Fiscal Research Division
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925
Attention: Director

***Town of Nags Head, North Carolina
Beach Nourishment Financing***

In accordance with N.C. Gen. Stat. §120-157.2(a) (the "*Statute*"), the Town of Nags Head, North Carolina (the "*Town*") hereby notifies you of its intent to seek approval of the North Carolina Local Government Commission (the "*Commission*") for special obligation bonds (the "*SOB*") at the Commission's meeting scheduled for May 1, 2018 or June 5, 2018 or such later meeting as the Town and the Commission may determine.

The Town expects to issue the SOB under N.C. Gen. Stat. §159I-30 and a bond order to be adopted by the Town Council of the Town. The Town expects that the SOB will be purchased by a financial institution to be determined (the "*Bank*") in an approximate amount of \$12,000,000 to finance beach nourishment for the purpose of beach erosion control and flood and hurricane protection works (the "*SOB Project*").

The SOB will be a special obligation of the Town, secured by and payable from certain revenues that will be identified in, and pledged under, the bond order. The Town expects such revenues to consist of the Town's receipts from local-option sales taxes and interlocal funds. Neither the credit nor the taxing power of the State of North Carolina or the Town will be pledged to the repayment of the SOB. The final maturity of the SOB is expected to be approximately 5 to 7 years.

The Town is also considering the financing of additional beach nourishment in the amount of approximately \$17,000,000. The costs of the project are ultimately expected to be repaid through reimbursements from the Federal Emergency Management Administration (FEMA), but the Town may have to undertake an interim financing to obtain the funds for the project pending FEMA reimbursement. The financing may be included in the SOB financing described above, may be an additional special obligation bond financing or may be another method of financing, each of which would require approval from the Commission. The Town expects to pursue such approval at the Commission's meeting scheduled for May 1, 2018 or June 5, 2018 or such later meeting as the Town and the Commission may determine.

If you would like any additional information, please feel free to contact me at 252-449-2020.

TOWN OF NAGS HEAD, NORTH CAROLINA

By:


Amy Miller
Finance Director