

SanfordHolshouser

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May 22, 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 Richmond County

To the Committee:

As counsel to Richmond County, 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 -- Improvements to the County's public water system, especially including the extension of water lines to rural areas in the southeastern part of the County

LGC meeting for consideration – August or September 2018

Amount to be financed – estimated as up to approximately \$2,184,000

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

Description of other sources of financing – The County expects that the amount borrowed, together with a County contribution of approximately \$55,000, will pay substantially all the costs of the project.

Estimated financing term – The County expects a financing term of



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approximately 40 years, which is not longer than the expected useful life of the property being financed.

Estimated interest rate – USDA has committed to a permanent financing annual rate of 2.75%. The County expects the rate on the construction financing 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 dark ink that reads "Bob Jessup". The signature is written in a cursive, slightly slanted style.

Robert M. Jessup Jr.

cc: Greg C. Gaskins, Secretary of the Local Government Commission
c/o Phillip Anderson
Mac Steagall, Richmond County finance officer
Stephan R. Futrell, Richmond County attorney
Daniel Sater, legislative staff [Daniel.sater@ncleg.net]
(each by electronic mail)