

SanfordHolshouser

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June 21, 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 Sparta

To the Committee:

As counsel to the Town of Sparta, 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 the replacement of the Main Street water line, related streetscape, and related undergrounding of utility lines.

LGC meeting for consideration – August 7

Amount to be financed – estimated as up to approximately \$1,554,000

Type of financing – USDA installment financing under Section 160A-20, with associated interim construction financing

Description of other sources of financing – Town contribution of \$99,0000, a \$409,000 USDA grant, and a \$300,000 Appalachian Regional Commission grant; total project amount estimated as up to approximately \$2,362,000.

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.

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June 21, 2018

page 2

Estimated interest rate - The Town expects interest costs of the financing not to exceed 4.5%.

Expected source of repayment - water and sewer enterprise revenues, along with general fund 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 cursive script, appearing to read "Ashley L. Anderson".

Ashley L. Anderson

cc: Greg C. Gaskins, Secretary of the Local Government Commission
c/o Phillip Anderson
Peggy Choate, Town of Sparta finance officer
Whitney Ivey, Town of Sparta attorney
Daniel Sater, legislative staff
(each by electronic mail)