



July 25, 2019

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

Fiscal Research Division
Attn: Director
300 North Salisbury Street, Suite 619
Raleigh, NC 27603-5925

**Notice to the Joint Legislative Committee on Local Government
Concerning Proposed Financing by the City of Rocky Mount**

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, the City of Rocky Mount, North Carolina hereby notifies you of its intent to utilize an installment financing contract (in the form of a capital lease) under North Carolina General Statute 160A, Article 3, Sections 19 and 20. The total principal amount is not to exceed \$17,750,000. This total will be used for the Downtown Development Structured Garage project. The City of Rocky Mount intends to facilitate an investment in the Douglas Entertainment and Business District in the downtown area near the recently completed Rocky Mount Event Center that will include a mix of commercial and residential uses. The proposed project entails four development components including a hotel, retail space, residential units, and a public parking garage and is proposed to be a public-private project provided under North Carolina General Statutes Section 143-128.1C (b) with a developer identified through a request for qualifications process.

The public parking garage will provide no less than an estimated 700 parking spaces in a multi-story deck adjacent to the proposed hotel and across the street from the Rocky Mount Event Center. Parking will support the increased density created by the recently constructed Rocky Mount Event Center and the needs of the proposed hotel, retail, residential, and as needed for the downtown area. The City anticipates that the proposed development will support additional job growth (both construction and permanent jobs), will provide additional quality housing in downtown Rocky Mount, and will be another step in the goal of City leadership to revitalize and transform downtown Rocky Mount. The City expects to lease the parking garage from the developer over a 20-year term at a rate that is equivalent to the current public financing rate of interest for the City, regardless of the actual borrowing rate for the developer. At the end of the lease, the City will have the option to purchase the parking garage for a nominal amount. The City expects to make lease payments from various sources, including funds in the general fund, which will include net revenues from the parking garage, the City's share of occupancy taxes and property tax. Neither the credit nor the taxing power of the State of North Carolina or the City will be pledged to the payment of lease payments under the lease.

The City of Rocky Mount anticipates that the North Carolina Local Government Commission will consider approval of the issuance of this proposed debt at its meeting scheduled for September 10, 2019.