

# SanfordHolshouser

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April 14, 2022

Joint Legislative Committee on Local Government  
Co-Chairs Sen. McInnis and Rep. Warren  
Legislative Building  
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 Boiling Spring Lakes**

To the Committee:

As counsel to the City of Boiling Spring Lakes, 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 –

<b>Project description</b>	Boiling Spring Lakes Police Station
<b>LGC meeting for consideration</b>	June 2022
<b>Amount to be financed</b>	Estimated as up to approximately \$2,000,000
<b>Type of financing</b>	Bank-placement installment financing under Section 160A-20
<b>Other sources of financing</b>	The City expects that the amount borrowed will pay substantially all the costs of the project.

<b>Estimated financing term</b>	<p>The City expects a construction financing term of approximately 8 months.</p> <p>The City then expects to redeem its construction financing using proceeds of a 30-year term permanent loan from USDA Rural Development. That term approximates the expected useful life of the facility.</p>
<b>Estimated interest rate</b>	<p>USDA has committed to a permanent financing annual rate of 2.25%.</p> <p>There will also be an interim financing term.</p>
<b>Expected source of repayment</b>	General fund revenues

Please let me know if you have additional questions or comments for me about this proposed financing.

Very truly yours,



Robert M. Jessup Jr.

cc: Sharon G. Edmundson, Secretary of the Local Government Commission  
c/o Joe Futima, Stephanie Bacik  
Boiling Spring Lakes City officials  
Davenport & Co. LLC representatives  
Sam Barnes, Esq.  
(each by electronic mail)  
Also to reports@ncleg.net