

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

April 14, 2022

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

North Carolina Local Government Commission
3200 Atlantic Avenue
Raleigh, North Carolina 27604
Fiscal Research Division
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925
Attention: Director

Attention: Secretary

***City of Asheville, North Carolina
Limited Obligation Bonds***

In accordance with N.C. Gen. Stat. §120-157.2(a), the City of Asheville, North Carolina (the “City”) hereby notifies you of its intent to seek approval of the North Carolina Local Government Commission (the “*Commission*”) to finance the costs of various projects in the City, including but not limited to projects for affordable housing, public safety, transportation, infrastructure, economic development, parks and recreation, repair and renovation to City facilities and construction of City facilities (the “*Projects*”). The City can provide a complete list of the proposed Projects upon request.

Pursuant to N.C. Gen. Stat. §160A-20, the City and Asheville Public Financing Corporation (the “*Corporation*”) have previously entered into an installment purchase contract to finance and refinance various improvements in the City (the “*Contract*”). To secure its obligations under the Contract, the City has granted to the Corporation and its assigns a lien on the real property on City Hall, City’s Public Works Facility and Municipal Building, repairs and renovations to which that have been or will be financed under the Contract (the “*Collateral*”).

To finance the Projects, the City and the Corporation expect to enter into an amendment to the Contract and, in connection with such amendment, the Corporation expects to execute and deliver limited obligation bonds in a principal amount of approximately \$42 million (the “*LOBs*”). The LOBs will be secured on parity with the City’s existing obligations under the Contract by a lien on the Collateral. The

proceeds of the LOBs will be drawn down over the course of approximately two years to be used to pay the costs of the Projects. The final maturity of the LOBs will be approximately three years before which time the City expects to refinance the LOBs with long-term financings with an amortization structured so as to correspond with the expected economic life of the Projects.

The obligation of the City to make the installment payments and additional payments under the Contract will constitute a limited obligation of the City, payable solely from currently budgeted appropriations of the City and shall not constitute a general obligation or other indebtedness of the City within the meaning of the Constitution of the State of North Carolina or a direct or indirect pledge of the faith and credit or taxing power of the City within the meaning of the Constitution.

The City expects that the North Carolina Local Government Commission (the "*Commission*") will consider for approval the City's proposal to finance the Projects at the Commission's meeting scheduled for June 7, 2022 or such later meeting as the City and the Commission may determine.

CITY OF ASHEVILLE, NORTH CAROLINA

By:

A handwritten signature in dark ink, appearing to read "Tony McDowell", is written over a horizontal line.

Tony McDowell
Finance Director