



Financial Services Department
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CITY OF SANFORD

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

February 15, 2024

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

Fiscal Research Division
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925
Attention: Director

North Carolina Local Government Commission
3200 Atlantic Avenue
Longleaf Building
Raleigh, North Carolina 27604
Attention: Secretary

***City of Sanford, North Carolina
Financing of Various Utility Projects***

In accordance with N.C. Gen. Stat. §120-157.2(a) (the “Statute”), the City of Sanford, North Carolina (the “City”) hereby notifies you of its intent to finance the costs of extensions, additions, and capital improvements to, or the renewal and replacement of capital assets of, or purchasing and installing new equipment for, the City’s enterprise systems (collectively, the “2024 Projects”), including, among other things, the City’s proportionate share of the design and construction of an eighteen (18) MGD expansion of its Water Filtration Facility, pursuant to a joint undertaking with the Town of Holly Springs, the Town of Fuquay-Varina, and the Town of Pittsboro.

The City will finance a portion of the 2024 Projects by obtaining a loan from the Drinking Water State Revolving Fund (the “SRF Loan”) pursuant to Article 2 of Chapter 159G of the North Carolina General Statutes. The City expects that the SRF Loan will have a term of 30-years with a 0% interest rate and that the amount advanced to the City under the SRF Loan will be approximately \$110,000,000. The City may pay its obligation under the SRF Loan from any source of funds available to it in each year.

The City will also finance a portion of the 2024 Projects by issuing its Enterprise Systems Revenue Bonds, Series 2024 (the “Bonds”) pursuant to Article 5 of Chapter 159 of the North Carolina General Statutes in an aggregate principal amount currently estimated to be approximately \$45,000,000. Proceeds of the Bonds will also be used to pay capitalized interest and the costs of issuing the Bonds. The Bonds

will be special obligations of the City secured by and payable from the net revenues of the City's enterprise systems on parity with all other bonds issued under the general trust indenture for the Bonds. The City expects that the Bonds will have a term not to exceed 25 years.

The City expects that the Local Government Commission of North Carolina (the "*Commission*") will consider for approval the City's proposal to obtain the SRF Loan and issue the Bonds at the Commission's meeting scheduled for April 2, 2024 or at such other meeting as the City and the Commission may determine.

CITY OF SANFORD, NORTH CAROLINA

By: Beth Kelly
Beth Kelly
Assistant City Manager