

May 16, 2024

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 the Town of Chapel Hill**

To the Committee:

As counsel to the Town of Chapel Hill, North Carolina, and as required under N.C. Gen. Stat. Section 120-157.2, we are 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	As shown on Exhibit A
LGC meeting for consideration	Not before August 2024; at the Commission's discretion
Amount to be financed	Estimated as approximately \$44,000,000
Type of financing	Voter-approved general obligation bonds
Expected source of repayment	General fund revenues

The Town expects to issue the bonds over the course of the seven-year authorized period if the bonds are approved. The Town expects that interest rates will vary widely over that time. The Town expects that all bonds will be amortized

Sanford Holshouser LLP

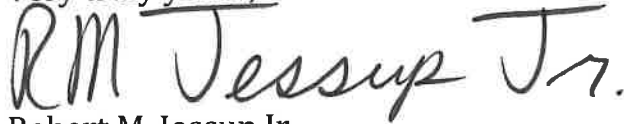
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over approximately 20-year terms. The Town expects that the bonds will have a substantially level-principal amortization. The Town plans to be flexible in setting the amortization schedules within legal constraints and with LGC approval.

Please let me know if you have questions for us about this proposed financing.

Very truly yours,

A handwritten signature in black ink that reads "RM Jessup Jr." The letters are cursive and fluid.

Robert M. Jessup Jr.

cc: Jennifer Wimmer, Deputy Secretary of the Local Government Commission
c/o Tony Blalock
Town of Chapel Hill officials
Representatives of Davenport & Company
Also to reports@ncleg.net
(each by electronic mail)

Exhibit A – Project Description

The Town plans to ask voter approval in November 2024 of general obligation bonds for the following purposes in the following amounts:

<u>Purpose</u>	<u>Amount (\$)</u>
Affordable housing	15,000,000
Public buildings	15,000,000
Streets and sidewalks	7,500,000
Parks and recreation facilities	4,500,000
Open space and greenways	2,000,000
TOTAL	44,000,000