

**FORSYTH COUNTY
BOARD OF COMMISSIONERS**

MEETING DATE: September 12, 2019 AGENDA ITEM NUMBER: 4

SUBJECT:

- A. PUBLIC HEARING TO CONSIDER \$70,000,000 BOND INSTALLMENT FINANCING AGREEMENT FOR THE PURPOSE OF CONSTRUCTING THE NEW COURTHOUSE FACILITY**

- B. RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE FINANCING OF A NEW COURTHOUSE FACILITY FOR THE COUNTY OF FORSYTH, NORTH CAROLINA, PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT**

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:

SUMMARY OF INFORMATION:

ATTACHMENTS: YES NO

SIGNATURE: _____ COUNTY MANAGER DATE: _____

**RESOLUTION MAKING CERTAIN FINDINGS AND
DETERMINATIONS REGARDING THE FINANCING OF A NEW
COURTHOUSE FACILITY FOR THE COUNTY OF FORSYTH, NORTH
CAROLINA, PURSUANT TO AN INSTALLMENT FINANCING
AGREEMENT AND REQUESTING THE LOCAL GOVERNMENT
COMMISSION TO APPROVE THE FINANCING ARRANGEMENT**

BE IT RESOLVED by the Board of Commissioners (the “Board”) for the County of Forsyth, North Carolina (the “County”) as follows:

Section 1. The Board does hereby find and determine as follows:

(a) There exists in the County a need to finance the cost of acquiring, constructing and equipping a new 250,000 square foot courthouse facility to be situated adjacent to the existing Forsyth County Government Center and Forsyth County Law Enforcement Detention Center, including, without limitation, the construction of an underground tunnel to the existing Forsyth County Detention Center and a secure staff corridor connection to the adjacent Forsyth County Government Center (the “Project”).

(b) After due consideration, the County has determined to enter into an installment financing agreement (the “Agreement”) in an aggregate principal amount not to exceed \$70,000,000 to provide funds, together with any other available funds, to (i) pay the costs of the Project and (ii) pay certain financing costs in connection therewith.

(c) The County will enter into the Agreement with a lending institution to be selected by the County pursuant to a request for proposals (the “Lender”), pursuant to which the Lender will advance to the County, from time to time, amounts sufficient, together with other available funds, to pay the costs of the Project and pay the related financing costs, and the County will repay the advancement with interest (the “Installment Payments”).

(d) In order to secure its obligations under the Agreement, the County will execute and deliver a deed of trust (the “Deed of Trust”), granting a lien on all or a portion of the site of the Project, together with all improvements and fixtures located or to be located thereon.

(e) It is in the best interest of the County to enter into the Agreement and the Deed of Trust in that such transaction will result in the financing of the Project in an efficient and cost effective manner.

(f) Entering into the Agreement is preferable to a general obligation bond and revenue bond issue in that (i) the County does not have the constitutional authority to issue non-voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution because the County has not retired a sufficient amount of debt in the preceding fiscal year to issue a sufficient amount of general obligation bonds for the financing of the Project without an

election; (ii) the nature of the Project does not allow for the issuance of revenue bonds to finance the costs of the Project; (iii) the costs of the Project exceeds the amount to be prudently provided from currently available appropriations and unappropriated fund balances; (iv) the circumstances existing require that funds be available to commence acquisition, construction and equipping of the Project as soon as practicable and the time required for holding an election for the issuance of voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution and the Local Government Bond Act will delay the commencement of acquisition and construction of the Project by several months; and (v) there can be no assurances that the Project would be approved by the voters and the necessity of the Project dictates that the Project be financed by a method that assures that the Project will be acquired, constructed and equipped in an expedient manner.

(g) It has been determined by the Board that the financing of the Project through the Agreement is reasonably comparable to the costs of issuing general obligation bonds or notes or other available methods of financing and is acceptable to the Board.

(h) Counsel to the County will render an opinion to the effect that the proposed Agreement is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.

(i) The debt management policies of the County have been carried out in strict compliance with law, and the County is not in default under any obligation for repayment of borrowed money.

(j) A tax rate increase of two cents per \$100 assessed valuation, which has already been implemented by the County, is expected to be necessary to pay the Installment Payments under the Agreement.

Section 2. The Board hereby authorizes, ratifies and approves the filing of an application with the Local Government Commission for approval of the Agreement and requests the Local Government Commission to approve the Agreement and the proposed financing in connection therewith. All actions heretofore taken by the County or its officers or employees in regard to the Agreement is hereby authorized, ratified and approved.

Section 3. The law firm of Womble Bond Dickinson (US) LLP is hereby appointed to serve, but solely at the pleasure of the County, as bond counsel to the County in connection with the Agreement. DEC Associates, Inc. is hereby appointed to serve, but solely at the pleasure of the Board, as financial advisor to the County in connection with the Agreement.

Section 4. This resolution shall take effect immediately upon its adoption.

Adopted this 12th day of September 2019.

To be published in the Winston-Salem Journal, the Kernersville News, the Clemmons Courier and The Chronicle on Thursday, August 29, 2019:

NOTICE OF PUBLIC HEARING

The Board of Commissioners for the County of Forsyth, North Carolina (the "County") has determined to consider whether to enter into an installment financing agreement (the "Agreement") pursuant to Section 160A-20 of the General Statutes of North Carolina obligating the County to make installment payments thereunder in a principal amount not to exceed \$70,000,000, plus interest thereon. The County will enter into the Agreement for the purpose of providing funds, together with any other available funds, to pay the costs of acquiring, constructing and equipping a new 250,000 square foot courthouse facility to be situated adjacent to the existing Forsyth County Government Center and Forsyth County Law Enforcement Detention Center, including, without limitation, the construction of an underground tunnel to the existing Forsyth County Detention Center and a secure staff corridor connection to the adjacent Forsyth County Government Center (the "Project"). To secure its obligations under the Agreement, the County will grant a lien on all or a portion of the site of the Project, together with all improvements or fixtures located or to be located thereon.

Section 160A-20(g) of the General Statutes of North Carolina requires that the County hold a public hearing prior to entering into the Agreement. If the Board of Commissioners for the County so determines, an application will be submitted to the Local Government Commission of North Carolina for approval of the Agreement.

Please take notice that the Board of Commissioners for the County will conduct a public hearing in the Commissioners' Meeting Room on the fifth floor of the Forsyth County Government Center located at 201 N. Chestnut Street in Winston-Salem, North Carolina at 2:00 p.m. on September 12, 2019, at which time any person may be heard regarding the proposed Agreement described above.

Any person wishing to comment in writing regarding the proposed Agreement should do so prior to September 12, 2019 to the County of Forsyth, North Carolina, 201 N. Chestnut Street, Winston-Salem, North Carolina 27101, Attention: Ashleigh M. Sloop, Clerk to the Board of Commissioner for the County.

Ashleigh M. Sloop
Clerk to the Board of Commissioners
County of Forsyth, North Carolina