

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT FINANCING AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO

WHEREAS, the City of Charlotte, North Carolina (the “*City*”) is a municipal corporation duly created and validly existing under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the “*State*”);

WHEREAS, the City has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the City Council of the City (the “*City Council*”) determines that it is in the best interest of the City to enter into an installment financing to finance the costs of (a) improvements and renovations to government facilities, including but not limited to implementation of ADA transition plans, increases in building sustainability and replacement of HVAC systems, (b) construction, renovation and improvement of fire-fighting facilities and other public safety facilities, (c) acquisition of a police helicopter and (d) the acquisition of vehicles and equipment (collectively, the “*2024 Projects*”);

WHEREAS, the City Council has been advised and hereby determines that it may be advantageous to refinance some or all of the City’s outstanding installment obligations related to Certificates of Participation (Equipment Acquisition and Public Facilities), Series 2012A and Certificates of Participation (Equipment Acquisition and Public Facilities), Series 2013A (the “*Prior Certificates*”), the proceeds of which were used to finance and refinance the construction and improvements to various public facilities and other public projects and the acquisition of vehicles and equipment (the “*Prior Projects*”);

WHEREAS, the City Council determines that it is in the best interest of the City to enter into (a) an installment financing contract (the “*Contract*”) with the New Charlotte Corporation, a North Carolina nonprofit corporation (the “*Corporation*”) to (1) pay all or a portion of the capital costs of the 2024 Projects, (2) if determined to be advantageous, refinance all or a portion of the Prior Projects and the related Prior Certificates, and (3) pay the costs related to the execution and delivery of the Contract and (b) a deed of trust and security agreement (the “*Deed of Trust*”) related to the City’s fee simple interest in all or a portion of the sites of the 2024 Projects (the “*Site*”) and the improvements thereon, necessary to secure the City’s obligations under the Contract;

WHEREAS, the Corporation will assist the City by the execution and delivery of Certificates of Participation (the “*Certificates*”) to finance the 2024 Projects and refinance the Prior Projects and related Prior Certificates;

WHEREAS, the City hereby determines that financing the 2024 Projects and the refinancing of the Prior Projects is essential to the City's proper, efficient and economic operation and to the general health and welfare of its inhabitants; that financing the 2024 Projects will provide an essential use and will permit the City to carry out public functions that it is authorized by law to perform and that entering into the Contract is necessary and expedient for the City by virtue of the findings presented herein;

WHEREAS, the City hereby determines that entering into the Contract allows the City to finance the 2024 Projects and refinance the Prior Projects at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the City;

WHEREAS, the City hereby determines that the estimated cost of financing the 2024 Projects and refinancing the Prior Projects is an amount not to exceed \$137,000,000, and that such cost exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the City in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of financing the 2024 Projects and refinancing the Prior Projects pursuant to the Contract is expected to exceed the cost of financing the 2024 Projects and refinancing the Prior Projects pursuant to a bond financing for the same undertaking, the City hereby determines that the cost of financing the 2024 Projects and refinancing the Prior Projects pursuant to the Contract and the obligations of the City thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay which would thereby decrease the financial benefits of completing the 2024 Projects and refinancing the Prior Projects; and (3) insufficient revenues are produced by the Projects so as to permit a revenue bond financing;

WHEREAS, the City has determined and hereby determines that the estimated cost of financing the 2024 Projects and refinancing the Prior Projects pursuant to the Contract reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the City does not anticipate a future property tax increase to pay installment payments falling due under the Contract; however, any property tax increase, if necessary, to pay installment payments falling due under the Contract will not be excessive;

WHEREAS, the sums to fall due under the Contract will be adequate but not excessive for its proposed purpose;

WHEREAS, no deficiency judgment may be rendered against the City in any action for breach of an obligation under the Contract;

WHEREAS, the City is not in default under any of its debt service obligations;

WHEREAS, the City's budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act, and external auditors have determined that the City has conformed with generally accepted accounting principles as applied to governmental units in preparing its Annual Budget Ordinance;

WHEREAS, past audit reports of the City indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the City has not been censured by the Local Government Commission of North Carolina (the "LGC"), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, a public hearing on entering into the Contract after publication of a notice with respect to such public hearing will be held by the City Council and approval of the LGC with respect to entering into Contract must be received;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, AS FOLLOWS:

Section 1. ***Authorization to Negotiate Contract.*** The Mayor, the City Manager, the Chief Financial Officer, the Treasurer, the City Clerk and the City Attorney, and their respective designees (individually and collectively, the "*Authorized Officers*"), are hereby authorized and directed to proceed and negotiate on behalf of the City for the financing of the 2024 Projects and refinancing the Prior Projects for a principal amount not to exceed \$137,000,000 in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended, and to provide in connection with the Contract, as security for the City's obligations thereunder, the Deed of Trust conveying a lien and interest in the Site and the improvements thereon.

Section 2. ***Application to LGC.*** The City Manager and the Chief Financial Officer, individually or collectively, or their designees, are hereby directed to file with the LGC an application for its approval of the Contract and all relevant transactions contemplated thereby on a form prescribed by the LGC and to state in such application such facts and to attach thereto such exhibits regarding the City and its financial condition as may be required by the LGC.

Section 3. ***Financing Team.*** The financing team of Parker Poe Adams & Bernstein LLP, as special counsel, DEC Associates, Inc., as financial advisor, PNC Capital Markets LLC, as managing underwriter, and U.S. Bank Trust Company, National Association, as trustee, is approved. The Authorized Officers are hereby authorized to retain any other professionals they deem necessary to complete the transaction contemplated by this Resolution.

Section 4. ***Public Hearing.*** In order to satisfy the requirements of Section 160A-20 of the General Statutes of North Carolina, as amended, the City Council will conduct a public hearing on February 26, 2024 at 6:30 p.m., or as soon thereafter as practicable, in the Meeting Chamber, Charlotte-Mecklenburg County Government

Center, 600 East Fourth Street, Charlotte, North Carolina 28202 concerning the execution and delivery of the Contract (the "*Public Hearing*"). The City Clerk is hereby directed to cause notice of the Public Hearing to be published at least once in a qualified newspaper of general circulation within the City no fewer than 10 days prior to the Public Hearing.

Section 5. ***Repealer.*** All motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 6. ***Effective Date.*** This Resolution is effective on the date of its adoption.

Adopted February 12, 2024