

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

WHEREAS, the City of Charlotte, North Carolina (the “*City*”) is a municipal corporation existing as such 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 Section 160A-20 of the General Statutes of North Carolina, as amended, 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*”) hereby determines that it is in the best interest of the City to enter into (1) an installment financing contract (the “*Contract*”) with the Bank (as defined herein) in order to (a) pay, or reimburse the City for, the costs of acquiring the rail corridor known as the O-Line Corridor (the “*O-Line*”) and associated land in uptown adjacent to the planned transit Gateway Station (the “*Gateway Station Property*” and collectively with the O-Line, the “*Project*”) and (b) pay the costs related to execution and delivery of the Contract and (2) a deed of trust, security agreement and fixture filing (the “*Deed of Trust*”) on the Gateway Station Property and all improvements thereon, in order to provide security for the City’s obligations under the Contract;

WHEREAS, the City staff has retained (1) Parker Poe Adams & Bernstein LLP, as special counsel (“*Special Counsel*”) and (2) DEC Associates, Inc., as financial advisor (the “*Financial Advisor*”), in connection with the proposed installment financing;

WHEREAS, the City staff has solicited requests for proposal from financial institutions for the installment financing and recommends selecting Truist Commercial Equity, Inc. (the “*Bank*” and together with the Special Counsel and the Financial Advisor, the “*Financing Team*”);

WHEREAS, the City Council hereby determines that the Project is essential to the City’s proper, efficient and economic operation and to the general health and welfare of its

inhabitants; that the Project 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 and Deed of Trust is necessary and expedient for the City by virtue of the findings presented herein;

WHEREAS, the City Council hereby determines that the estimated cost of financing the Project is an amount not to exceed \$93,000,000 and that such cost of the Project 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 Project pursuant to the Contract and the Deed of Trust is expected to exceed the cost of financing the Project pursuant to a bond financing for the same undertaking, the City hereby determines that the cost of financing the Project pursuant to the Contract and Deed of Trust 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 the Project; and (3) insufficient revenues are produced by the Project so as to permit a revenue bond financing;

WHEREAS, the City Council hereby determines that the estimated cost of financing the Project pursuant to the Contract and the Deed of Trust allows the City to finance the Project at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the City and 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 increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive.

WHEREAS, no deficiency judgment may be rendered against the City in any action for its breach of the Contract, and the taxing power of the City is not and may not be pledged in any way directly or indirectly or contingently to secure any money due 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;

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 and Deed of Trust 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; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte, North Carolina that:

Section 1. ***Authorization to Negotiate the Contract and the Deed of Trust.*** 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***"), with advice from Special Counsel and the Financial Advisor, are hereby authorized and directed to negotiate on behalf of the City (1) the financing of the Project for a principal amount not to exceed \$93,000,000 under the Contract to be entered into with the Bank in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended, and (2) the provision of a security interest under the Deed of Trust in the City's fee simple interest on the Gateway Station Property, together with all improvements and fixtures located thereon, as may be required by the Bank providing the funds to the City under the Contract to secure the City's obligations thereunder.

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 is hereby approved in connection with the financing of the Project. The Authorized Officers, with advice from Special Counsel, are hereby authorized to retain the assistance of other professionals as they deem necessary and desirable 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 24, 2025 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. ***Ratification.*** All actions of the City and its officials, whether previously or hereafter taken in effectuating the proposed financing as described herein, are hereby ratified, authorized and approved.

Section 6. ***Repealer.*** All motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 7. ***Effective Date.*** This Resolution is effective on the date of its adoption.

Adopted February 10, 2025