

Legislation Text

File #: 15-5991, Version: 1

Extension of 2010 General Obligation Bond Authorization

Action:

- A. Authorize the City Manager to apply to the Local Government Commission (LGC) to extend the General Obligation Bond authorization, approved for seven years in November 2010, for an additional three years.**
- B. Set a public hearing for August 28, 2017 as required by State statute.**

Staff Resource(s):

Mike Davis, Engineering and Property Management

Randy Harrington, Management and Financial Services

Explanation

- Bond authorization approved by referendum expires in seven years according to State statute. The statute allows a three year extension upon request and subject to LGC approval.
- On November 2, 2010, voters approved a bond referendum for \$156.6 million street bonds and \$32 million neighborhood improvement bonds, which expires on November 2, 2017.
- Since street and neighborhood bonds are only issued as expenditures occur, approximately \$98 million of 2010 authorized bonds remain unissued to date. It is anticipated that an additional \$20 million will be issued prior to the expiration date.
- Substantial savings were realized on some projects due to lower than expected construction and real estate costs over the past several years, which slowed issuance.
- Federal stimulus and other grants were received which also slowed issuance.
- In recent years, the strong local economy has increased the timeline and cost of construction projects, resulting in a need for the extension.
- Extension of bond authorization is not an uncommon practice for cities and counties in North Carolina.
- All projects associated with the 2010 bond referendum are complete or in process.

Attachment(s)

Resolution