



Legislation Text

File #: 15-15527, Version: 1

Set a Public Hearing for an Installment Financing Contract for Hospitality and Convention Facility Projects

Action:

- A. Adopt an initial findings resolution making certain findings and calling for the execution of various documents necessary to complete an installment financing contract, and**
- B. Adopt a resolution setting a public hearing for May 10, 2021, for an installment financing contract not to exceed \$50,000,000.**

Staff Resource(s):

Kelly Flannery, Finance
Tracy Dodson, Economic Development

Explanation

- The city will enter into a construction period financing in the form of a \$50,000,000 privately placed drawdown program, allowing the city to reimburse expenses on a monthly basis during construction and eliminating interest expense on funds not yet expended on the projects.
- This financing approach reduces interest cost and provides flexibility in the timing of the spending.
- The projects being funded are concentrated in two different areas:
 - Bank of America Stadium improvements related to Major League Soccer and improvements to the former Eastland Mall site not to exceed \$35,000,000 which was approved by City Council on November 9, 2020.
 - Convention Center improvements not to exceed \$11,900,000 which includes additional funding for Convention Center Phase I that was approved by City Council on September 23, 2019.
- The debt issuance is planned in two steps; a short-term construction period draw program lasting up to 36 months which will then be converted into permanent fixed-rate financing and/or available fund balance from the Convention Center Tax Fund once construction nears completion.
- These actions will adopt an initial findings resolution and set a public hearing for May 10, 2021.
- The North Carolina Local Government Commission is expected to review and approve this financing on June 1, 2021.

Fiscal Note

Funding: Convention Center Tax Fund

Attachment(s)

Resolution