



Town of Chapel Hill Capital Program Proposed Two-Thirds Bonds

March 10, 2021

Agenda



Two-Thirds Bonds



Funding Plan



Next Steps

What Are Two-Thirds Bonds?

- **Two-Thirds Bonds are General Obligation (GO) Bonds that can be issued under the following circumstances:**
 - If no new GO Bonds were issued during the year, Two-Thirds bonds can be issued in the subsequent year in an amount up to two-thirds of the reduction in principal for the base year

2/3

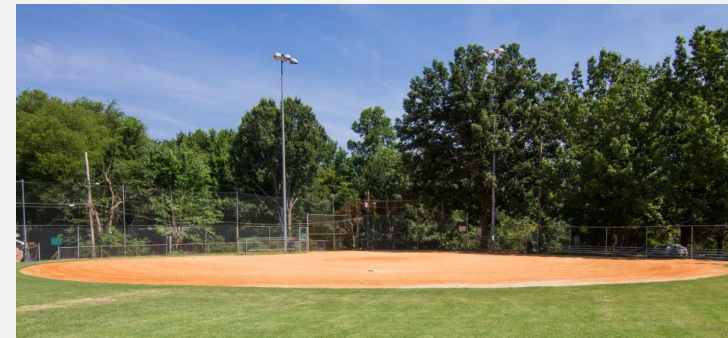
Two-Thirds Bonds Calculation

** Actual debt service amounts depend on the rates at the time of the sale.*

Two-Thirds Bonds Uses

Parks and Recreation Facilities (\$1.155 million):

- Cedar Falls Park Tennis Complex
- Hargraves Park Tennis Court
- Ephesus Park Technical Assessment & Tennis/Pickleball Court Repairs
- Hargraves Park Playground
- AD Clark Pool
- Hargraves Center Ballfield
- Umstead Park Basketball Court
- Homestead Aquatic Center Pool



Two-Thirds Bonds Uses

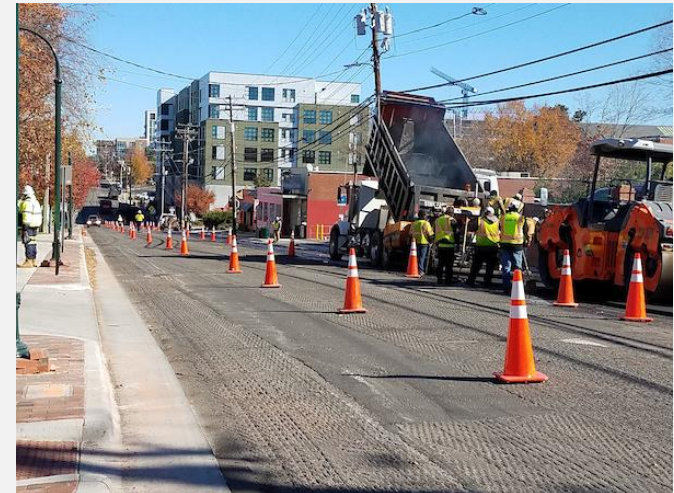
Fire Truck (\$550K):

- Replacement of Engine 33 (2002 HME) as frontline vehicle.



Streets and Sidewalks Projects (\$1.5 million):

- Prioritized list of shovel-ready street maintenance needs
- Prioritized list of sidewalk repairs throughout Town



GO Bonds Issuance Schedule

- **Preliminary Resolution (2/3)** Feb 24
- **Introduce Bond Order (2/3)** Mar 10
- **Public Hearing (2/3)** Mar 24
- **Adopt Bond Order (2/3)** Apr 7
- **Issuance Resolution (2/3 & Referendum)** Apr 7
- **LGC Approval** Apr 13
- **LGC Bond Sale** Apr 27
- **Bond Closing** May 13



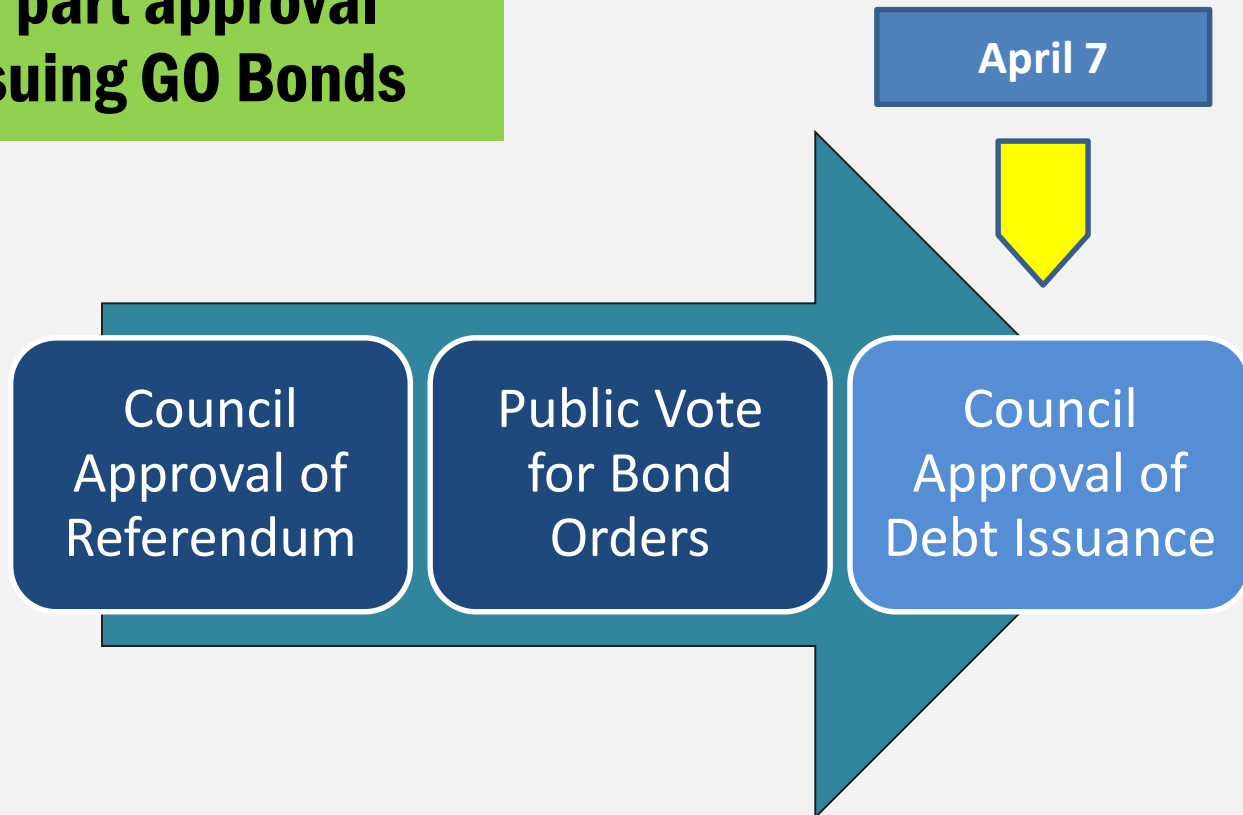
Planned April Issuances

Bond Order	Authority*	April Issue
Referendum:		
Affordable Housing	\$ 10,000,000	\$ 4,755,000
Two-Thirds Bonds:		
Parks & Recreation		\$ 1,155,000
Fire Truck		550,000
Streets & Sidewalks		1,500,000
Total Two-Thirds	\$ 3,205,000	\$ 3,205,000

** Authority for two-thirds bonds contingent on Council approval*

Capital Funding (Referendum Bonds)

The referendum is the second part of a three part approval process for issuing GO Bonds



Debt Issuance Authority

Voters

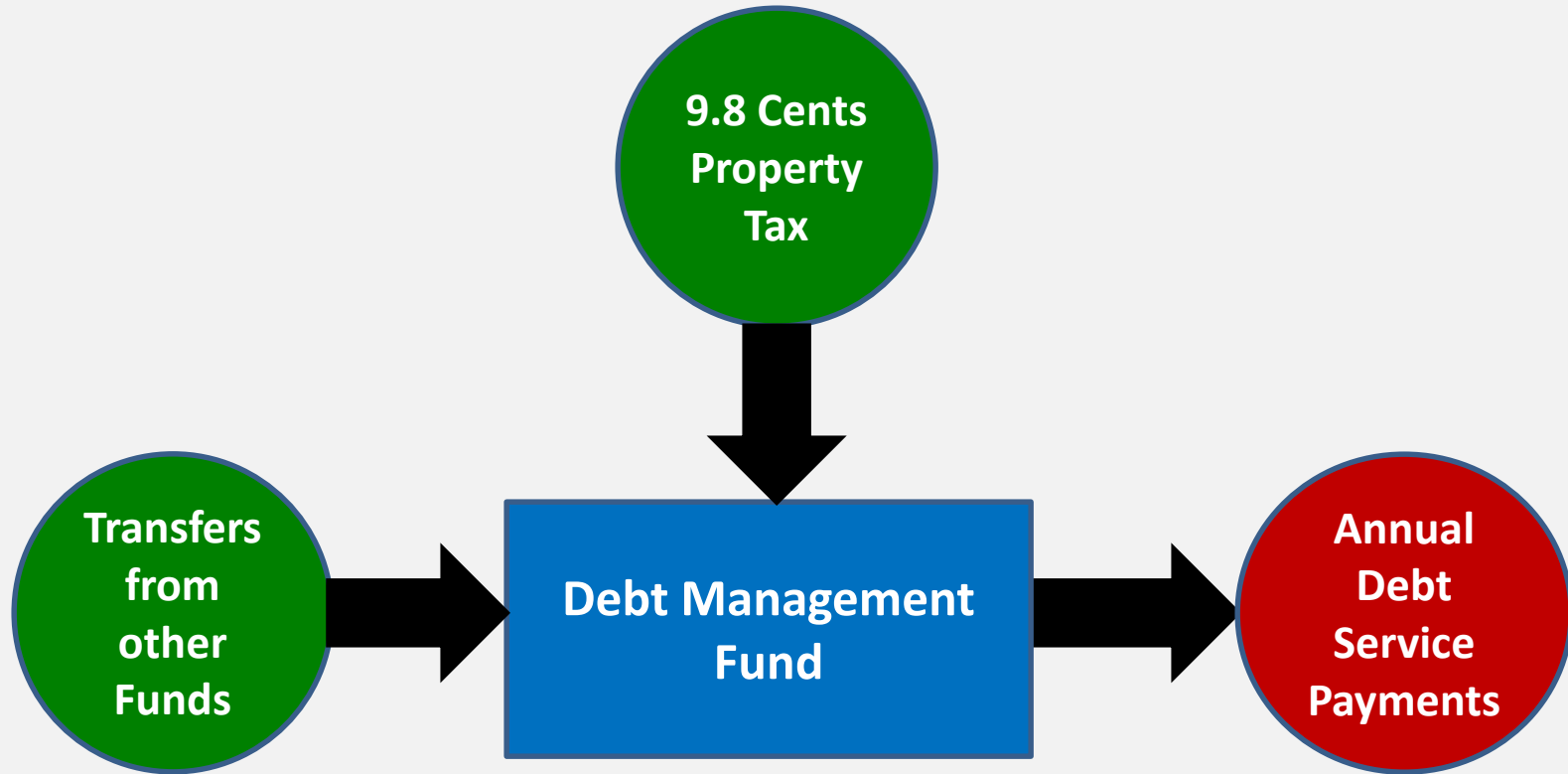
2018 Referendum
\$10 Million
GO Bonds

Council

Two-Thirds Bonds

Installment Financing

Debt Fund Capacity



Parking Fund
Ephesus Fordham TIF

New Projects & Priorities

- **Capital plans change over time as new opportunities arise, costs increase, and project scopes are adjusted to meet changing needs and requirements**
- **Flexibility is achieved by adjusting the sequence and timing of projects**

Next Steps & Recommendation

- **Staff reading:**
“Introduction of the Two-Thirds Bond Orders”
- **Recommend that Council adopt resolution (R-9) setting a public hearing for March 24, 2021 and authorizing the filing of a sworn statement of debt**