The background image shows a paved road with white dashed lines and yellow solid lines. A white van is on the left side of the road. In the center, there is a yellow diamond-shaped sign with a black silhouette of a person. The road is flanked by trees and a clear sky.

\$12.5 Million G.O. Bond Issuance

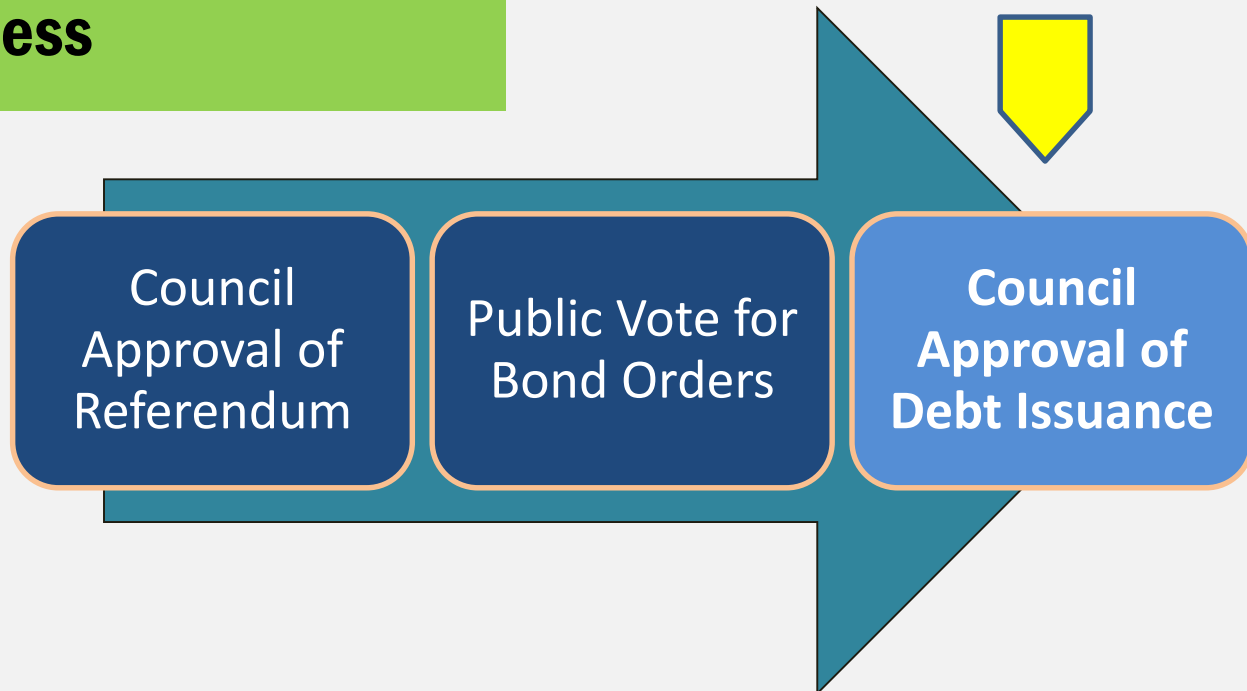
March 21, 2018

G.O. Bond Issuance Resolution

- The Resolution does the following:
 - Formally authorizes the sale of \$12.5 million of bonds
 - Formally pledges the Town's taxing power, if necessary to repay
 - Approves the proposed form of the bonds
 - Approves the form of the Official Statement
 - States Town's agreement to comply with federal law
 - Authorizes Town staff to complete the process of issuing the bonds and approves steps taken to date

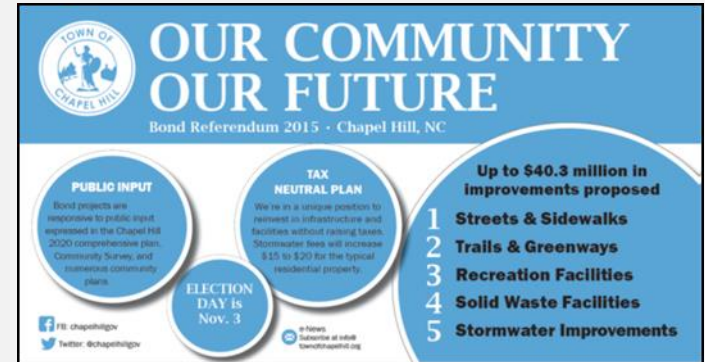
G.O. Bond Issuance Process

Council approval of the bond sale resolution is the third and final step in the G.O. Bond Issuance Process



2015 Referendum Bonds

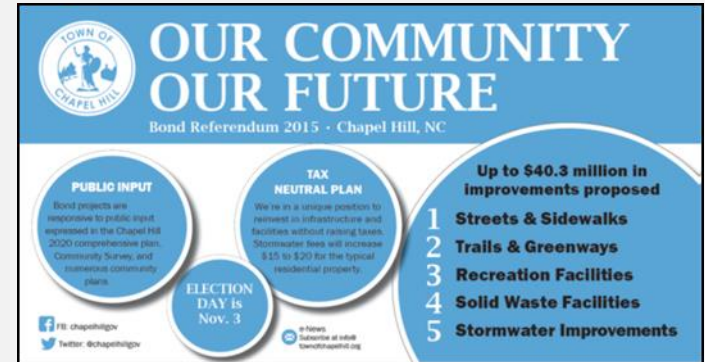
*In November of 2015
Chapel Hill Voters approved
\$40.3 Million of General
Obligation Bonds*



Bond Order	Authorized Amount
Streets & Sidewalks	\$ 16,200,000
Trails & Greenways	5,000,000
Recreation Facilities	8,000,000
Solid Waste Facilities	5,200,000
Stormwater Improvements	5,900,000
Total	\$ 40,300,000

2015 Referendum Bonds

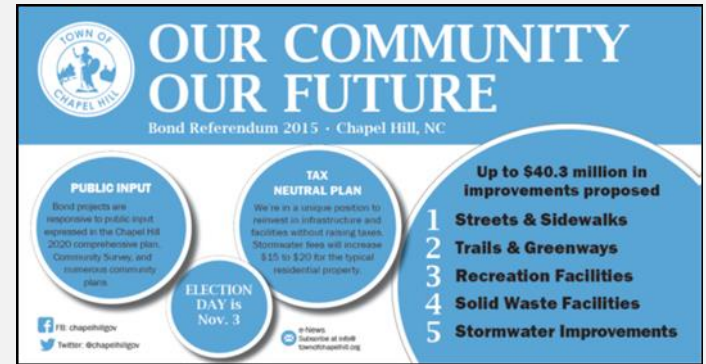
In January 2017 the Town sold \$9.0 million of the authorized 2015 Referendum Bonds



Bond Order	Authority	Issued 2017	Balance
Streets & Sidewalks	\$ 16,200,000	\$ 3,000,000	\$ 13,200,000
Trails & Greenways	5,000,000	5,000,000	-
Recreation Facilities	8,000,000	1,000,000	7,000,000
Solid Waste Facilities	5,200,000	-	5,200,000
Stormwater Improvements	5,900,000	-	5,900,000
Total	\$ 40,300,000	\$ 9,000,000	\$ 31,300,000

2015 Referendum Bonds

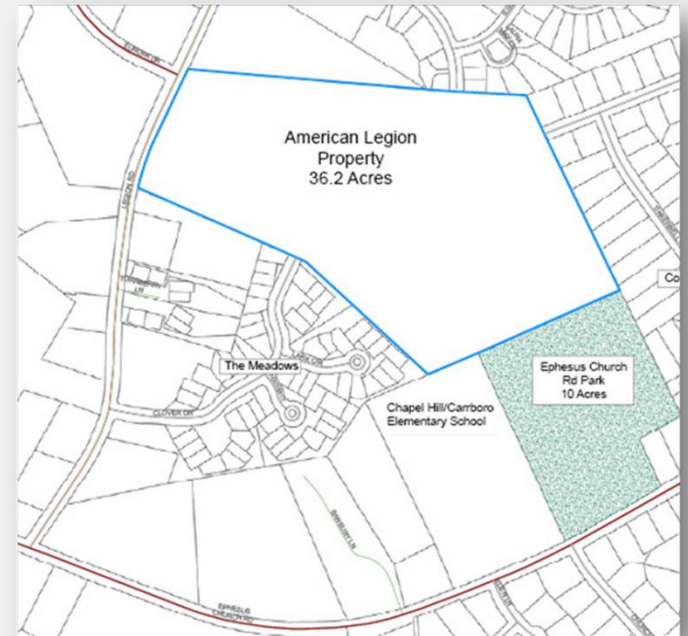
The sale planned for April 3 funds \$12.5 million of Parks Facilities, Streets & Sidewalks and Stormwater projects



Bond Order	Authority	Issued 12/2016	April 3	Balance
Streets & Sidewalks	\$ 16,200,000	\$ 3,000,000	\$ 5,500,000	\$ 7,700,000
Trails & Greenways	5,000,000	5,000,000	-	-
Recreation Facilities	8,000,000	1,000,000	4,300,000	2,700,000
Solid Waste Facilities	5,200,000	-	-	5,200,000
Stormwater	5,900,000	-	2,700,000	3,200,000
Total	\$ 40,300,000	\$ 9,000,000	\$ 12,500,000	\$ 18,800,000

Parks Facilities Bonds

- \$4.3 Million to complete the purchase of the American Legion Property
- Purchase price is \$7.9 million in three installments:
 - \$3.6 million at closing
 - \$2.15 million 1 yr after closing
 - \$2.15 million 2 yrs after closing
 - **1% Interest on balance**



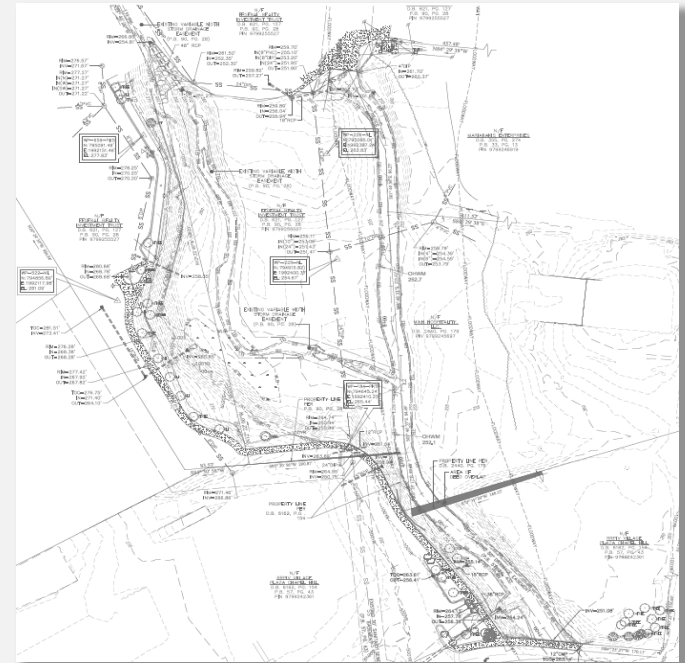
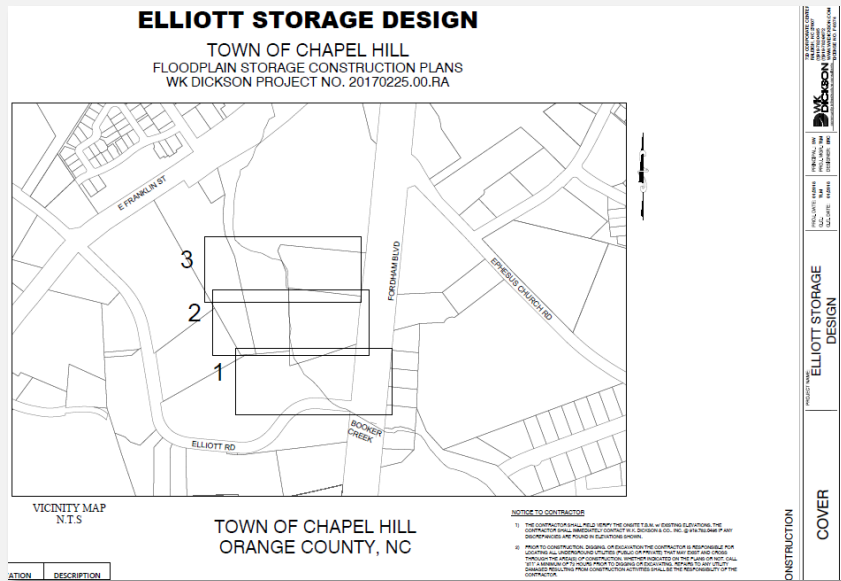
Parks Facilities Bonds

- Why borrow all \$4.3 Million now?
 - Not planning on issuing G.O. Bonds in FY19
 - Not expecting sale of property within the next year
 - Rising interest rate environment



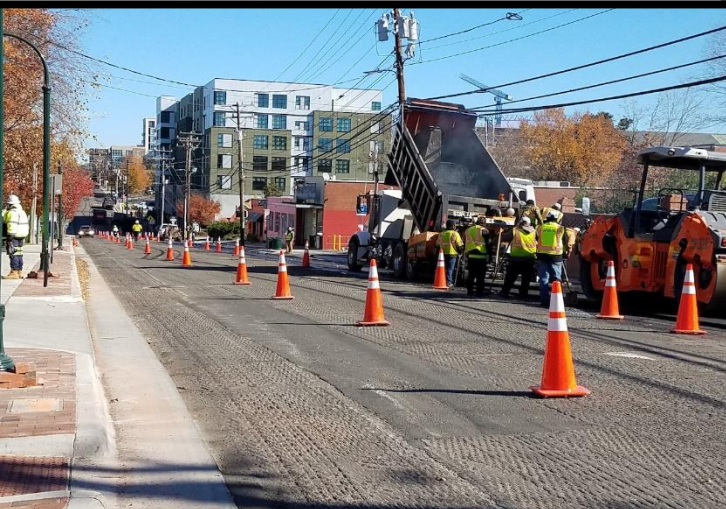
Stormwater Improvement Bonds

- \$2.7 Million to fund the design and construction of the Elliott Road Flood Storage Facility
 - Highest priority project in the Lower Booker Creek Subwatershed Study



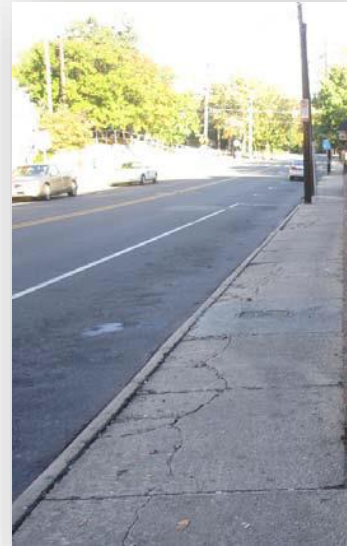
Streets & Sidewalk Bonds

- \$5.5 Million for various projects:
 - \$1.7 million Sidewalk Construction
 - \$2.4 million Bicycle & Pedestrian Improvements
 - \$0.8 million Street Infrastructure
 - \$0.6 million Downtown Streetscape



Streets & Sidewalk Bonds

- \$1.7 million Sidewalk Construction
 - Bonds funds will be combined with 2017 Bonds, Grant Funds & Payment in Lieu funds (\$1.5m) to implement high-priority sidewalk projects from the list approved by Council October 10, 2016:
 - Seawell School Road
 - Homestead Road
 - Ephesus Church Road



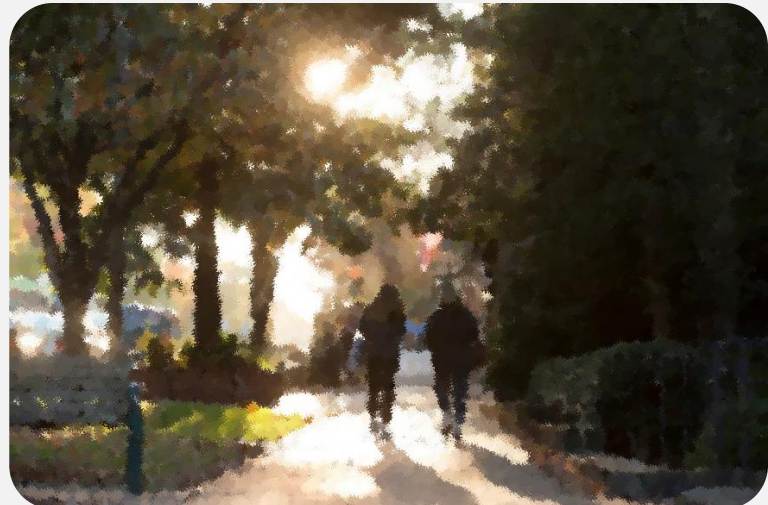
Streets & Sidewalk Bonds

- \$2.4 Million Bicycle & Pedestrian Improvements
 - Bonds funds will be used in conjunction with Grant Funds and 2017 Bond Funds to implement high priority mobility projects:
 - Estes Drive Ext
 - Old Durham Chapel Hill Road



Streets & Sidewalk Bonds

- \$800,000 Street Infrastructure Improvements
 - Bonds funds will be used in conjunction with operating and CMAQ funds address high priority street projects
- \$600,000 Downtown Streetscape
 - Funds will be used for Franklin Street Streetscape



Repayment of the Bonds

- The bonds will be repaid from the Debt Management Fund
- Sufficient capacity exists in the fund to cover the debt service on these bonds
- The bonds will be issued as tax-exempt for a 20 year term with a level principal structure
- Average annual debt service is expected to be about \$860,000

Debt Financing Plan Projects (FY18-FY23)*

Projects included in the Plan

- Streets & Sidewalks \$ 13.2m
- American Legion 4.3m
- Municipal Services Cntr. 31.4m
- EF (Blue Hill) Phase II 2.6m
- Wallace Deck 2.4m
- **Total** **\$ 53.9m**

Debt Fund Capacity 45.9m

Funding GAP \$ 8.0m

Projects not in the 5YR Plan

- Solid Waste Facility \$ 5.2m
- Fire Station No. 3 3.5m
- Fire Station No. 4 3.5m
- Cultural Arts 3.4m
- Varsity Theater 3.5m
- *Affordable Housing* 10.0m
- Old Town Hall 2.5m
- **Total** **\$ 31.6m**

** Does not include enterprise debt*

Next Steps

- Finalize Official Statement and receive Credit Ratings March 22nd
- Local Government Commission will sell bonds using a competitive bid process April 3rd
- Bond sale closing April 19th

