



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Legislation Details (With Text)

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File created: 9/5/2022 **In control:** Town Council

On agenda: 9/14/2022 **Final action:** 9/14/2022

Title: Call a Public Hearing for a Time Extension to Issue 2015 General Obligation (G.O.) Bonds for October 12, 2022.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A RESOLUTION CALLING FOR A PUBLIC HEARING ON EXTENDING THE TIME FOR THE TOWN OF CHAPEL HILL TO ISSUE GENERAL OBLIGATION BONDS ORIGINALLY AUTHORIZED IN 2015 (2022-09-14/R-8)

Date	Ver.	Action By	Action	Result
9/14/2022	1	Town Council	adopted	Pass

Call a Public Hearing for a Time Extension to Issue 2015 General Obligation (G.O.) Bonds for October 12, 2022.

Staff:

Amy Oland, Director

Department:

Business Management

Overview: The Town of Chapel Hill has \$18.8 million that has not been issued from the 2015 general obligation bonds. The authority to issue these bonds will expire in November 2022. We recommend extending the issuance period an additional three years.

☆ **Recommendation(s):**

That the Council adopt the resolution to:

- 1) Call a public hearing on extending the time for the Town to issue the general obligation bonds originally authorized in 2015; and
- 2) Authorize the Town Manager, Finance Officer, and other Town representatives to take all appropriate action toward carrying out the purposes of this resolution.

Key Issues:

- In November 2015, Chapel Hill residents voted on a referendum authorizing the issuance of general obligation bonds for a variety of purposes in the maximum amount of \$40,300,000.
- The five bond orders, the amount authorized by voters, the amount issued by the Town, and the remaining balance are as follows:

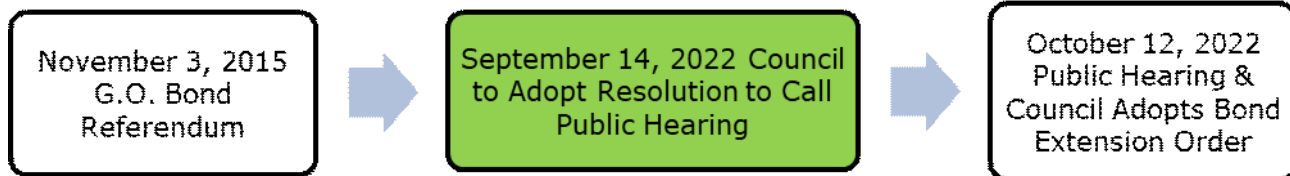
BOND ORDER	AUTHORITY	ISSUED	BALANCE
Streets & Sidewalks	\$ 16,200,000	\$ 8,500,000	\$ 7,700,000
Trails & Greenways	5,000,000	5,000,000	0
Recreation Facilities	8,000,000	5,300,000	2,700,000

Solid Waste Facility	5,200,000	0	5,200,000
Stormwater Improvements	5,900,000	2,700,000	3,200,000
Total	\$ 40,300,000	\$ 21,500,000	\$ 18,800,000

- Once general obligation bonds are authorized by voters in a referendum, the Town may issue them at any time within seven years after the bond order takes effect. The Town currently has until November 3, 2022 to issue the 2015 bonds.
- Per North Carolina General Statute 159-64, the issuance period may be extended an additional three years as long as the bond orders have not expired. The new expiration date would be November 3, 2025.
- We request the extension because it has taken longer to complete design, permit, and construct these projects. A three-year extension would provide the necessary time to complete the projects.
- The Solid Waste Facility is not currently in the Town’s funded 5-year capital project plan, however, the Town would like to request the extension authority to have the flexibility if circumstances change.
- The process to extend the bonds is as follows:

Event	Proposed Date
Town sends letter to Local Government Commission requesting the three-year extension	Done - submitted on May 16, 2022
Local Government Commission approves the extension at a monthly Board meeting	Done - approved on July 12, 2022
Council adopts a resolution authorizing a public hearing on whether the time to issue bonds should be extended	Scheduled for Council meeting on September 14, 2022
Town publishes Notice of Public Hearing	At least six days’ prior to public hearing date (no later than October 6 th)
Council holds the public hearing; Council adopts order approving the three-year extension	Scheduled for Council meeting on October 12, 2022
Town publishes notice of extension	Promptly after the October 12 th meeting

Where is this item in its process?



 **Attachments:**

- Resolution

A RESOLUTION CALLING FOR A PUBLIC HEARING ON EXTENDING THE TIME FOR THE TOWN OF CHAPEL HILL TO ISSUE GENERAL OBLIGATION BONDS ORIGINALLY AUTHORIZED IN 2015 (2022-09-14/R-8)

WHEREAS, at a referendum held on November 3, 2015, the voters of the Town of Chapel Hill authorized the issuance of Town general obligation bonds for a variety of purposes in the maximum of \$40,300,000; and

WHEREAS, the Town has not yet issued \$18,800,000 of these bonds as follows:

PURPOSE	DATE APPROVED	BALANCE
Streets and Sidewalks	11/03/2015	\$7,700,000
Parks and Recreation	11/03/2015	\$2,700,000
Stormwater	11/03/2015	\$3,200,000
Solid Waste	11/03/2015	\$5,200,000
TOTAL	-	\$18,800,000

WHEREAS, the Town’s authorization to issue these bonds will expire in November 2022, unless the time is extended as provided by law; and

WHEREAS, the North Carolina Local Government Commission (the “LGC”) has approved the extension and now Council must take its required steps for the extension.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that:

1. The Town will hold a public hearing on the question of whether the time to issue the bonds as approved at the 2015 referendum should be extended for October 12, 2022 at 7pm in the Town Hall Council Chamber, 405 Martin Luther King Jr Blvd, Chapel Hill, NC 27514. The Town Manager, in collaboration with the Town Clerk, is directed to schedule the public hearing and to provide for notice of the public hearing in the manner provided by law.
2. The Council authorizes the Town Manager, the Finance Officer, and all other Town officers and representatives to take all appropriate action toward carrying out the purposes of this resolution. The Council ratifies all prior actions of Town officers and representatives related to the transactions contemplated by this resolution.

This the 14th day of September, 2022.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By adopting the resolution, the Council:

- 1) Calls a public hearing to extend the time for the Town to issue the general obligation bonds originally authorized in 2015; and
- 2) Authorizes the Town Manager, Finance Officer, and other Town representatives to take all appropriate action toward carrying out the purposes of this resolution.