



Staff Report

Department: Administration
Staff contact: Eric Hardy, Town Administrator
Agenda title: Resolution Providing for the Issuance of \$3,000,000 General Obligation Bonds
Requested action: Approve Resolution

SUMMARY

On November 8, 2016, the residents of Woodfin voted in favor of a referendum to issue \$4,500,000 in General Obligation Bonds (GO Bonds) for the purpose of financing the acquisition, construction and equipping of park facilities and greenways. Following a public process intended to gather input into the master planning of town parks, the Woodfin Greenway and Blueway began shifting from concept to reality. In July 2020, the Town acquired property under the Craggy Bridge for the purpose of expanding Riverside Park. In the same month the Town entered into agreement with Baker Grading for the construction of Silverline Park. Total expenditures for the purchase and construction contract is approximately \$2,500,000, and we anticipate needing additional funds for engineering and design for the projects. A total of \$3,000,000 will be sold this year, with the remaining \$1,500,000 likely to be sold in fiscal year 2022.

This last remaining action for the board is required to deliver on that authorization and proceed with the sale of this \$3,000,000 in GO Bonds.

Upon the advice of First Tryon, financial advisors to the Town, the method of this bond sale is a bank private placement – i.e., one bank is the “buyer” of the bonds. A Request for Proposal (RFP) was delivered to 41 banks in late September, and today (October 20, 2020) is the deadline for submittals. The award will go to the lowest bidder following final approval of the Local Government Commission on November 10th, and proceeds will be used solely for the authorized parks and greenways projects.

BUDGET IMPACT

Property tax revenue will be the primary source of repayment of the bonds, and the FY 2021 budget impact will be an approximately \$30,000 interest-only payment. One principal/interest plus one interest-only payment totaling approximately \$260,000 (based on loan terms) will be appropriated in the FY 2022 budget.

STAFF RECOMMENDATION

Staff recommends approval of the resolution.