



CITY COUNCIL WORK SESSION

City Council Chambers

Tuesday, May 25, 2021 at 3:00 PM

AGENDA

Bessemer City will conduct this meeting in accordance with the Governor's current Executive Order issued in response to the COVID-19 Public Health Emergency. Group size is limited to fifty (50) people and masks are required.

Call to Order

Discussion Items

1. **Resolution Supporting CATS LYNX Silver Line Extending in to Gaston County:** City Council will consider adopting a resolution in support of the CATS LYNX Silver Line Extending in to Gaston County.
2. **UDO Discussion**
3. **FY 2021-2022 Budget Discussion**

City Manager's Report

4. **Resolution Approving Financing Terms**

Council General Discussion

Adjourn

Individuals requiring special accommodations at this public meeting should contact ADA Coordinator, Hydeia Hayes, at (704) 729-6509 or Countrywide at (704) 866-3300 or State Relay Service at 1-800-375-8662.

**MEMORANDUM**

TO: MAYOR AND CITY COUNCIL

FROM: JAMES A. INMAN, CITY MANAGER

DATE: MAY 25, 2021

**RE: CONSIDERATION OF RESOLUTION IN SUPPORT OF THE
CHARLOTTE AREA TRANSIT SYSTEM'S (CATS) LYNX SILVER
LINE EXTENDING INTO GASTON COUNTY**

The US Census Bureau, Center for Economic Studies, LODES, (2018) indicates that 36,364 Gaston County residents are traveling into Mecklenburg County each weekday for work. The Charlotte MSA region is home to over 2.6 million people and is expected to grow to over 3.0 million by 2030. More transportation options are needed to provide greater mobility to the existing residents as well as the growing population in Gaston County.

The key to supporting economic growth to the Charlotte MSA region is a rapid transit system integrated with land-use planning creating a sustainable, economic-environment thereby improving the quality of life and attracting businesses and people to the region.

Gaston County must work directly with the City of Charlotte, CATS, and the Metropolitan Transit Commission (MTC) to secure sufficient funds to complete the extension of the LYNX Silver Line into Gaston County.

It is recommended that the City of Bessemer City support the LYNX Silver Line in Gaston County and encourage Gaston County to seek federal, state, and local funding options for the Silver Line project.



**RESOLUTION IN SUPPORT OF THE CHARLOTTE AREA
TRANSIT SYSTEM'S (CATS) LYNX SILVER LINE
EXTENDING INTO GASTON COUNTY**

WHEREAS, more transportation options are needed to provide greater mobility to the existing residents as well as the growing population in Gaston County; and

WHEREAS, the US Census Bureau, Center for Economic Studies, LODES, (2018) indicates that 36,364 Gaston County residents are traveling into Mecklenburg County each weekday for work; and

WHEREAS, the Charlotte MSA region is home to over 2.6 million people and is expected to grow to over 3.0 million by 2030 and the key to supporting this economic growth is a rapid transit system integrated with land-use planning creating a sustainable, economic-environment which improves the quality of life and attracts businesses and people to the region; and

WHEREAS, Gaston County stakeholders have expressed interest in exploring rapid transit options into Gaston County from Mecklenburg County; and

WHEREAS, the 2019 adoption of the LYNX Silver Line Locally Preferred Alternative defined the Silver Line as a 26-mile continuous light rail corridor from the Town of Matthews to Center City Charlotte and continuing west to the Charlotte Douglas International Airport and beyond to a western terminus in the City of Belmont and Gaston County; and

WHEREAS, in early 2020, the cities of Belmont and Gastonia committed both cash and in-kind services to the LYNX Silver Line Transit Oriented Development (TOD) Plan; and

WHEREAS, in January 2020, the Charlotte Area Transit System initiated the Silver Line Design and Environmental Study; and

WHEREAS, beginning in March of 2020 the LYNX Silver Line project team worked with staff from the City of Charlotte, Town of Matthews, City of Belmont, Town of Stallings, Town of Indian Trail, the North Carolina Department of Transportation, major stakeholders along the alignment, and the residents in the study area to refine the alignment and station locations in an open, fair, comprehensive, and impartial manner; and

WHEREAS, on April 5, 2021 the City of Belmont adopted a Resolution Supporting the LYNX Silver Line Refined Locally Preferred Alternative; and

WHEREAS, on April 28, 2021 the Metropolitan Transit Commission adopted the LYNX Silver Line Staff Recommendations; and

WHEREAS, the City understands that Gaston County will be responsible for providing local funding to design, construct, and maintain the portion of the LYNX Silver Line in Gaston County; and

WHEREAS, Gaston County must have authority approved by the North Carolina General Assembly to seek additional funding from a county-wide source; and

WHEREAS, in order to adequately fund the extension of the LYNX Silver Line in to Gaston County the North Carolina General Assembly must increase the current cap of 10% for light rail projects in North Carolina; and

WHEREAS, Gaston County must work directly with the City of Charlotte, CATS, and the Metropolitan Transit Commission (MTC) to secure sufficient federal funds to complete the extension of the LYNX Silver Line into Gaston County; and

NOW THEREFORE, BE IT RESOLVED that the City of Bessemer City supports the LYNX Silver Line in Gaston County and encourages Gaston County to seek federal, state, and local funding options for the Silver Line project.

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Resolution adopted this, the 25th of May, 2021, upon a motion of Council member _____ and a vote of ____ affirmative votes to _____ negative votes.

Becky S. Smith, Mayor

ATTEST:

Hydeia Y. Hayes, City Clerk

Certificate

The undersigned duly qualified City Clerk of the City of Bessemer City certifies that the foregoing is a true and correct copy of a resolution adopted as a legally convened meeting of the City of Bessemer City held on the 25th of May, 2021.

Hydeia Y. Hayes, City Clerk

Date

(seal)

Governmental Finance

5130 Parkway Plaza Boulevard
Charlotte, North Carolina 28217
Phone (704) 954-1700
Fax (704) 954-1799

May 13, 2021

Mr. James Inman
City of Bessemer City, NC
125 E. Virginia Ave
Bessemer City, NC 28016

Dear Mr. Inman:

Truist Bank (“Lender”) is pleased to offer this proposal for the financing requested by the City of Bessemer City, NC (“Borrower”).

PROJECT: Equipment Financing

AMOUNT: \$470,000.00

TERM: 3 years

INTEREST RATE: 1.13%

TAX STATUS: Tax Exempt – Bank Qualified

PAYMENTS: Interest: Annual
Principal: Annual

INTEREST RATE CALCULATION: 30/360

SECURITY: Vehicles and Equipment

PREPAYMENT TERMS: Prepayable in whole at any time without penalty

RATE EXPIRATION: June 30, 2021

DOCUMENTATION/ LEGAL REVIEW FEE: N/A

FUNDING: Proceeds will be deposited into an account held at Lender pending disbursement unless equipment is delivered prior to closing.

DOCUMENTATION: Lender proposes to use its standard form financing contracts and related documents for this installment financing. We shall provide a sample of those documents to you should Lender be the successful proposer.

The financing documents shall include provisions that will outline appropriate changes to be implemented in the event that this transaction is determined to be taxable or non-bank qualified in accordance with the Internal Revenue Service Code. All documentation must be deemed appropriate by Lender before closing.

REPORTING

REQUIREMENTS: Lender will require financial statements to be delivered within 270 days after the conclusion of each fiscal year-end throughout the term of the financing.

Should we become the successful proposer, we have attached the form of a resolution that your governing board can use to award the financing to Lender. If your board adopts this resolution, then Lender shall not require any further board action prior to closing the transaction.

Lender shall have the right to cancel this offer by notifying the Borrower of its election to do so (whether this offer has previously been accepted by the Borrower) if at any time prior to the closing there is a material adverse change in the Borrower's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Borrower or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to Lender.

Costs of counsel for the Borrower and any other costs will be the responsibility of the Borrower.

The stated interest rate assumes that the Borrower expects to borrow no more than \$10,000,000 in the current calendar year and that the financing will qualify as qualified tax-exempt financing under the Internal Revenue Code. Lender reserves the right to terminate this bid or to negotiate a mutually acceptable interest rate if the financing is not qualified tax-exempt financing.

We appreciate the opportunity to offer this financing proposal. Please call me at (803) 413-4991 with your questions and comments. We look forward to hearing from you.

Sincerely,

Truist Bank



Andrew G. Smith
Senior Vice President

Resolution Approving Financing Terms

WHEREAS: The City of Bessemer City, NC (“Borrower”) has previously determined to undertake a project for the financing of various vehicles and equipment (the “Project”), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Borrower hereby determines to finance the Project through Truist Bank (“Lender”) in accordance with the proposal dated May 13, 2021. The amount financed shall not exceed \$470,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.13%, and the financing term shall not exceed three (3) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the Borrower are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Borrower officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer’s release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document’s final form.

4. The Borrower shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Borrower hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Borrower intends that the adoption of this resolution will be a declaration of the Borrower’s official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been advanced, or that may be advanced, from the Borrower’s general fund or any other Borrower fund related to the Project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Borrower officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2021

By: _____

By: _____

Title: _____

Title: _____

SEAL

City of Bessemer City, NC - Vehicles & equipment (DRAFT)

Compounding Period: Annual

Nominal Annual Rate: 1.130%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	05/12/2021	470,000.00	1		
2	Payment	05/12/2022	160,220.59	3	Annual	05/12/2024

TValue Amortization Schedule - Normal, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	05/12/2021				470,000.00
2021 Totals		0.00	0.00	0.00	
1	05/12/2022	160,220.59	5,311.00	154,909.59	315,090.41
2022 Totals		160,220.59	5,311.00	154,909.59	
2	05/12/2023	160,220.59	3,560.52	156,660.07	158,430.34
2023 Totals		160,220.59	3,560.52	156,660.07	
3	05/12/2024	160,220.59	1,790.25	158,430.34	0.00
2024 Totals		160,220.59	1,790.25	158,430.34	
Grand Totals		480,661.77	10,661.77	470,000.00	



TO: Mayor Smith and City Council

FROM: James A. Inman, City Manager

DATE: May 25, 2021

SUBJECT: Resolution Approving Financing Terms- List of Equipment

Mayor & Council,

Here are the items, cost and who will be using them for the debt package for three years:

1) Playground	Parks	\$28,166.00
2) 2 Generators	Water	\$48,699.00
3) Annex Generator		\$50,937.00
4) Gas Stations	Gas	\$167,489.00
5) Back Hoe	Water	\$98,790.00
6) Flail Mower	PW	\$9,287.00
7) FD Air Unit	FD	\$7,3621.77
Total		\$476,991.46
Loan		\$470,000.00
Transfer to Fund		\$7,000.00

Sincerely,

James A. Inman, ICMA-CM, MPA, MCJ
City Manager

