



City of Harrisonburg, Virginia

Department of Finance

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TO: Eric D. Campbell, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: August 31, 2018
RE: Public Hearing – Bond Issue for New High School Land

Summary: Consider the issuance and approval, through approval of a resolution, of up to \$5,285,000 in general obligation bonds to finance the purchase of land for the new high school.

Background: The city is required by the Code of Virginia to hold a public hearing in advance of the issuance of debt. City Council previously approved the purchase of land for construction of a new high. The land was purchased from James Madison University on August 22, 2018.

Key Issues: At this time, staff has determined that the best approach to obtaining long-term financing for the new high school land is participating in the Virginia Public School Authority (VPSA) Fall Bond Sale. VPSA is scheduled to price and sell the bonds on or about October 16, 2018. Closing will occur on or about November 6, 2018 at which time the city will reimburse itself from the proceeds.

Environmental Impact: None

Fiscal Impact: The annual debt service in each of the next fifteen fiscal years beginning in Fiscal Year 2020 will be approximately \$425,000-\$450,000 each year depending on market rates of interest.

Prior Actions: None

Alternatives: Not approve the bond resolution.

Community Engagement: A public hearing notice was advertised in the Daily News-Record on August 28, 2018 and September 4, 2018.

Recommendation: Staff recommends approval of the resolution.

Attachments: Resolution and public hearing notice.

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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