

**STATEMENT OF DISCLOSURES ON  
GENERAL OBLIGATION BONDS**

The City Council of the City of Charlotte, North Carolina (the “City”) introduced the following bond orders of the City at its June 10, 2024 meeting:

**BOND ORDER AUTHORIZING THE ISSUANCE OF \$238,300,000 GENERAL OBLIGATION TRANSPORTATION BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA**

**BOND ORDER AUTHORIZING THE ISSUANCE OF \$100,000,000 GENERAL OBLIGATION HOUSING BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA**

**BOND ORDER AUTHORIZING THE ISSUANCE OF \$61,700,000 GENERAL OBLIGATION NEIGHBORHOOD IMPROVEMENT BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA**

Section 159-55.1 of the General Statutes of North Carolina requires the City’s finance officer to file with the City Clerk after the bond order is introduced and before the public hearing on the bond order, a statement of disclosures stating the following: (1) an estimate of the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, and a summary of the assumptions on which the estimate is based, (2) an estimate of the increase in property tax rate, if any, necessary to service the proposed debt, and (3) the amount of two-thirds bonds capacity the unit has available for the current fiscal year, if any.

To satisfy the requirements of Section 159-55.1 of the General Statutes of North Carolina with respect to the proposed bonds to be issued under the **BOND ORDER AUTHORIZING THE ISSUANCE OF \$238,300,000 GENERAL OBLIGATION TRANSPORTATION BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA** the following statements of disclosure are made:

(1) An estimate of the total amount of interest that will be paid on the proposed transportation bonds over the expected term of the bonds, if issued, is \$133,714,896. The assumptions upon which the estimate is based are:

(i) that the transportation bonds will be issued on a tax-exempt basis in the aggregate principal amount of \$238,300,000 as a single series of bonds;

(ii) that the transportation bonds will amortize in 20 equal annual principal installments payable on June 1 of each year beginning in the year after the date of issuance of the transportation bonds;

(iii) that interest on the transportation bonds will be paid in semiannual installments over the expected 20 year term of the transportation bonds and will bear interest at an interest rate of 5.344%.

The interest rate assumption above represents the highest interest rate charged for similar debt over the last 20 years as determined by the staff of the North Carolina Local Government Commission. The assumption conforms with a “safe harbor” rate that the North Carolina Local Government Commission has determined for purposes of its approval process and the finance officer of the City believes this to be a reasonable assumption of the interest rate based on the requirement in Section 159-61(d) of the General Statutes of North Carolina to use the highest interest rate charged for similar debt

over the maximum bond issuance term to estimate the cumulative cost over the life of the bonds that will appear on the ballot question for approval of the transportation bonds.

For purposes of this disclosure, the City is assuming that the transportation bonds will be issued as a single series of bonds in the total aggregate principal amount as set forth above; however, the City anticipates that the transportation bonds, if approved, would likely be issued, consistent with past practices, in multiple series together with other authorized, but unissued, general obligation bonds, and in such manner that the City determines is necessary and most efficient over the course of the seven year period that the transportation bonds would be authorized to pay the costs of the projects to be financed with the transportation bonds. Given the complex nature of the City's bond financing program and the uncertain timing related to funding of the projects to be financed with the transportation bonds, if approved, the City's finance officer has determined that estimating the total amount of interest that will be paid on the proposed transportation bonds based on the assumptions set forth above is a reasonably conservative approach to giving voters information about what that amount is estimated to be.

(2) The City estimates an increase in the property tax rate necessary to service the proposed transportation bonds of \$0.0010 per \$100 of assessed valuation.

The City increased the property tax rate for Fiscal Year 2025 by \$0.0137 per \$100 of assessed valuation. Of that increase, the City estimates that \$0.0030 per \$100 of assessed valuation is for debt service. Of the increase of \$0.0030 per \$100 of assessed valuation for debt service, the City estimates that \$0.0005 per \$100 of assessed valuation is for non-general obligation bonds to finance general governmental projects, \$0.0013 per \$100 assessed valuation is for the proposed housing bonds (see below) and \$0.0012 per \$100 assessed valuation is for the proposed transportation bonds and the proposed neighborhood improvement bonds (see below). The estimated increase in the property tax rate necessary to service the proposed transportation bonds of \$0.0010 per \$100 of assessed valuation and to service the proposed neighborhood improvement bonds of \$0.0002 per \$100 of assessed valuation was determined by splitting the \$0.0012 per \$100 assessed valuation for the proposed transportation bonds and the proposed neighborhood improvement bonds on a pro-rata basis using the principal amounts of the proposed transportation bonds and the proposed neighborhood improvement bonds (and the amounts have been rounded).

This estimate for the increase in property tax rate necessary to pay debt service on all of the City's proposed bonds is based on financial modeling that the City maintains related to its existing and proposed general obligation debt service to determine what may be necessary for the City to generate enough revenues that, together with the other revenues that the City estimates will be available, to pay the debt service on all of the City's bonds. The financial model is based on numerous assumptions and is continuously being refined. Among the many assumptions in the financial model are the amortization of the City's current and future bonds, the growth of the City's tax base, property tax and other revenues available to pay debt service and other budgetary trends.

(3) The amount of two-thirds bonds capacity the City has available for the current fiscal year (Fiscal Year ending June 30, 2024) is \$0.00.

To satisfy the requirements of Section 159-55.1 of the General Statutes of North Carolina with respect to the proposed bonds to be issued under the **BOND ORDER AUTHORIZING THE ISSUANCE OF \$100,000,000 GENERAL OBLIGATION HOUSING BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA** the following statements of disclosure are made:

(1) An estimate of the total amount of interest that will be paid on the proposed housing bonds over the expected term of the bonds, if issued, is \$58,717,050. The assumptions upon which the estimate is based are:

(i) that the housing bonds will be issued on a taxable basis in the aggregate principal amount of \$100,000,000 as a single series of bonds;

(ii) that the housing bonds will amortize in 20 equal annual principal installments payable on June 1 of each year beginning in the year after the date of issuance of the housing bonds;

(iii) that interest on the housing bonds will be paid in semiannual installments over the expected 20 year term of the housing bonds and will bear interest at an interest rate of 5.5921%.

The interest rate assumption above represents the highest interest rate charged for similar debt over the last 20 years as determined by the staff of the North Carolina Local Government Commission. The assumption conforms with a "safe harbor" rate that the North Carolina Local Government Commission has determined for purposes of its approval process and the finance officer of the City believes this to be a reasonable assumption of the interest rate based on the requirement in Section 159-61(d) of the General Statutes of North Carolina to use the highest interest rate charged for similar debt over the maximum bond issuance term to estimate the cumulative cost over the life of the bonds that will appear on the ballot question for approval of the housing bonds.

For purposes of this disclosure, the City is assuming that the housing bonds will be issued as a single series of bonds in the total aggregate principal amount as set forth above; however, the City anticipates that the housing bonds, if approved, would likely be issued, consistent with past practices, in multiple series and in such manner that the City determines is necessary and most efficient over the course of the seven year period that the housing bonds would be authorized to pay the costs of the projects to be financed with the housing bonds. Given the complex nature of the City's bond financing program and the uncertain timing related to funding of the projects to be financed with the housing bonds, if approved, the City's finance officer has determined that estimating the total amount of interest that will be paid on the proposed housing bonds based on the assumptions set forth above is a reasonably conservative approach to giving voters information about what that amount is estimated to be.

(2) The City estimates an increase in the property tax rate necessary to service the proposed housing bonds of \$0.0013 per \$100 of assessed valuation.

The City increased the property tax rate for Fiscal Year 2025 by \$0.0137 per \$100 of assessed valuation. Of that increase, the City estimates that \$0.0030 per \$100 of assessed valuation is for debt service. Of the increase of \$0.0030 per \$100 of assessed valuation for debt service, the City estimates that \$0.0005 per \$100 of assessed valuation is for non-general obligation bonds to finance general governmental projects, \$0.0013 per \$100 assessed valuation is for the proposed housing bonds and \$0.0012 per \$100 assessed valuation is for the proposed transportation bonds (see above) and the proposed neighborhood improvement bonds (see below). The estimated increase in the property tax rate necessary to service the proposed transportation bonds of \$0.0010 per \$100 of assessed valuation and to service the proposed neighborhood improvement bonds of \$0.0002 per \$100 of assessed valuation was determined by splitting the \$0.0012 per \$100 assessed valuation for the proposed transportation bonds and the proposed neighborhood improvement bonds on a pro-rata basis using the principal amounts of the proposed transportation bonds and the proposed neighborhood improvement bonds (and the amounts have been rounded).

This estimate for the increase in property tax rate necessary to pay debt service on all of the City's proposed bonds is based on financial modeling that the City maintains related to its existing and proposed general obligation debt service to determine what may be necessary for the City to generate enough revenues that, together with the other revenues that the City estimates will be available, to pay the debt service on all of the City's bonds. The financial model is based on numerous assumptions and is continuously being refined. Among the many assumptions in the financial model are the amortization of the City's current and future bonds, the growth of the City's tax base, property tax and other revenues available to pay debt service and other budgetary trends.

(3) The amount of two-thirds bonds capacity the City has available for the current fiscal year (Fiscal Year ending June 30, 2024) is \$0.00.

To satisfy the requirements of Section 159-55.1 of the General Statutes of North Carolina with respect to the proposed bonds to be issued under the **BOND ORDER AUTHORIZING THE ISSUANCE OF \$61,700,000 GENERAL OBLIGATION NEIGHBORHOOD IMPROVEMENT BONDS OF THE CITY OF CHARLOTTE, NORTH CAROLINA** the following statements of disclosure are made:

(1) An estimate of the total amount of interest that will be paid on the proposed neighborhood improvement bonds over the expected term of the bonds, if issued, is \$34,621,104. The assumptions upon which the estimate is based are:

(i) that the neighborhood improvement bonds will be issued on a tax-exempt basis in the aggregate principal amount of \$61,700,000 as a single series of bonds;

(ii) that the neighborhood improvement bonds will amortize in 20 equal annual principal installments payable on June 1 of each year beginning in the year after the date of issuance of the neighborhood improvement bonds;

(iii) that interest on the neighborhood improvement bonds will be paid in semiannual installments over the expected 20 year term of the neighborhood improvement bonds and will bear interest at an interest rate of 5.344%.

The interest rate assumption above represents the highest interest rate charged for similar debt over the last 20 years as determined by the staff of the North Carolina Local Government Commission. The assumption conforms with a "safe harbor" rate that the North Carolina Local Government Commission has determined for purposes of its approval process and the finance officer of the City believes this to be a reasonable assumption of the interest rate based on the requirement in Section 159-61(d) of the General Statutes of North Carolina to use the highest interest rate charged for similar debt over the maximum bond issuance term to estimate the cumulative cost over the life of the bonds that will appear on the ballot question for approval of the neighborhood improvement bonds.

For purposes of this disclosure, the City is assuming that the neighborhood improvement bonds will be issued as a single series of bonds in the total aggregate principal amount as set forth above; however, the City anticipates that the neighborhood improvement bonds, if approved, would likely be issued, consistent with past practices, in multiple series together with other authorized, but unissued, general obligation bonds, and in such manner that the City determines is necessary and most efficient over the course of the seven year period that the neighborhood improvement bonds would be authorized to pay the costs of the projects to be financed with the neighborhood improvement bonds. Given the complex nature of the City's bond financing program and the uncertain timing related to funding of the projects to be financed with the neighborhood improvement bonds, if approved, the City's finance officer has determined that estimating the total amount of interest that will be paid on the proposed neighborhood

improvement bonds based on the assumptions set forth above is a reasonably conservative approach to giving voters information about what that amount is estimated to be.

(2) The City estimates an increase in the property tax rate necessary to service the proposed neighborhood improvement bonds of \$0.0002 per \$100 of assessed valuation.

The City increased the property tax rate for Fiscal Year 2025 by \$0.0137 per \$100 of assessed valuation. Of that increase, the City estimates that \$0.0030 per \$100 of assessed valuation is for debt service. Of the increase of \$0.0030 per \$100 of assessed valuation for debt service, the City estimates that \$0.0005 per \$100 of assessed valuation is for non-general obligation bonds to finance general governmental projects, \$0.0013 per \$100 assessed valuation is for the proposed housing bonds (see above) and \$0.0012 per \$100 assessed valuation is for the proposed transportation bonds (see above) and the proposed neighborhood improvement bonds. The estimated increase in the property tax rate necessary to service the proposed transportation bonds of \$0.0010 per \$100 of assessed valuation and to service the proposed neighborhood improvement bonds of \$0.0002 per \$100 of assessed valuation was determined by splitting the \$0.0012 per \$100 assessed valuation for the proposed transportation bonds and the proposed neighborhood improvement bonds on a pro-rata basis using the principal amounts of the proposed transportation bonds and the proposed neighborhood improvement bonds (and the amounts have been rounded).

This estimate for the increase in property tax rate necessary to pay debt service on all of the City's proposed bonds is based on financial modeling that the City maintains related to its existing and proposed general obligation debt service to determine what may be necessary for the City to generate enough revenues that, together with the other revenues that the City estimates will be available, to pay the debt service on all of the City's bonds. The financial model is based on numerous assumptions and is continuously being refined. Among the many assumptions in the financial model are the amortization of the City's current and future bonds, the growth of the City's tax base, property tax and other revenues available to pay debt service and other budgetary trends.

(3) The amount of two-thirds bonds capacity the City has available for the current fiscal year (Fiscal Year ending June 30, 2024) is \$0.00.

The information contained herein is preliminary and is for general informational purposes only. There is no assurance that the assumptions on which this disclosure is based will occur, and the actual occurrence of certain of the assumptions is beyond the City's control. Differences between the actual circumstances at the time the bonds are issued from the assumptions included in this disclosure could result in significant differences between the disclosures made herein and the actual occurrences. The validity of the bonds authorized by the respective bond orders is not subject to challenge on the grounds that the actual occurrences when issued proved to be different than the disclosures set forth in this statement.

This statement will be filed with the North Carolina Local Government Commission, posted online on the City's website and maintained by the City Clerk.

June 12, 2024



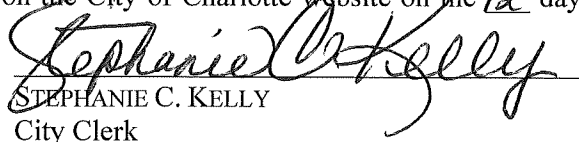
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Teresa T. Smith  
Chief Financial Officer  
City of Charlotte, North Carolina

STATE OF NORTH CAROLINA       )  
  )  
CITY OF CHARLOTTE                )

SS:

I, *Stephanie C. Kelly*, City Clerk of the City of Charlotte, North Carolina, a municipal corporation validly organized and existing under the Constitution and laws of the State of North Carolina, hereby certifies that the foregoing statement was filed with the Local Government Commission of North Carolina, filed in my office and posted online on the City of Charlotte website on the *12<sup>th</sup>* day of June, 2024.



STEPHANIE C. KELLY  
City Clerk  
City of Charlotte, North Carolina