

REQUEST FOR BOARD ACTION

**HENDERSON COUNTY
BOARD OF COMMISSIONERS**

MEETING DATE: November 2, 2020

SUBJECT: Mills River Fire & Rescue Building Loan

PRESENTER: Fire Marshal, Kevin Waldrup

ATTACHMENTS: Yes

1. Certificate of clerk reapproval of tax-exempt loan to First Bank

SUMMARY OF REQUEST:

Mills River Fire and Rescue is considering a commercial building loan for \$7,500,000. They presented their budget to the Fire and Rescue Advisory Committee on May 12, 2020, discussing construction of their new main station. The Loan Amount is \$7,500,000 at an interest rate of 2.59% for 180 months with amortization of 360 months. Repayment is for 18 months interest only, during construction followed by Principal & Interest payments monthly thereafter. Mills River Fire and Rescue held a public hearing to discuss the loan agreement on October 30, 2020 at 11:00 am at their department.

As part of the budget process the Fire & Rescue Advisory Committee has unanimously approved the loan for the new main station.

Mills River Fire and Rescue respectfully requests the Board of Commissioners to sign the enclosed letter for financing with First Bank.

BOARD ACTION REQUESTED:

The Board is requested to approve the attached letter for First Bank for a tax-exempt loan.

Suggested Motion:

I move the Board approve the attached letter to First Bank on behalf of Mills River Fire & Rescue.

HENDERSON COUNTY BOARD OF COMMISSIONERS

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November 2, 2020

First Bank
11 Church Street
Asheville, NC 28801

Re: Loan Agreement between First Bank and Mills River Fire & Rescue Department, Inc.

Dear Sirs:

I am Chairman of the County Commissioners of Henderson County. This letter is to advise you that Mills River Fire & Rescue Department, Inc., is a qualified Fire Department assigned to protect a specific Fire District within this County.

In addition, a special ad valorem (fire tax) is assessed on the real property owners of this district. Said tax is to be used exclusively to provide equipment, facilities, and training as is necessary to provide fire protection for said district. Said funds may also be used to upgrade equipment as the need arises. This tax is collected by the County and disbursed by the Finance Office to the Fire Department on a regular basis by the County Finance Officer. The Fire Department is operated and managed by the Board of Directors of the Fire Department and the Officers of said Department. The Department is currently meeting the requirements of their fire service contract.

The Fire Department has made us aware of their intention to acquire new capital assets through a loan transaction with your firm. Please be advised that the County has no objection to this transaction.

Sincerely,

Chairman
Henderson County Board of Commissioners