

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: August 4, 2025

SUBJECT: Final Approval of a Financing Contract for Project for Detention Center Portion of Henderson County Judicial Complex

PRESENTER: Samantha Reynolds, Financial Services Director

ATTACHMENTS: Draft Extract of Minutes of Proposed Financing Resolution Approval

SUMMARY OF REQUEST:

A public hearing was scheduled and held on July 16, 2025, at 9:30 am in the above matter. Notice was published in the *Hendersonville Lightning* on July 2, 2025.

The Board gave notice that this hearing would be conducted concerning the approval of the execution and delivery of the Financing Contract and the County's the acquisition, construction and equipping of the Project. Under the proposal, the County would pay the capital costs of renovation and expansion of the County's existing detention facility as part of a County judicial center, and the refinancing of the County's outstanding installment payment obligations related to (the "Project"). This would be done pursuant to an installment financing contract (the "Contract"), in a principal amount not to exceed \$110,000,000 under which the County will make certain installment payments.

BOARD ACTION REQUESTED:

Contingent upon approval of the Guaranteed Maximum Price for the Detention Center portion of the Henderson County Judicial Complex, the Board is requested to approve proceeding with the final financing contract.

Suggested Motion:

I move the Board of Commissioners approve and authorize staff to proceed with the Financing Contract for Project for Detention Center Portion of Henderson County Judicial Complex.

EXTRACTS FROM MINUTES OF THE BOARD OF COMMISSIONERS

A regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on August 4, 2025 at 5:30 p.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina. Bill Lapsley presiding.

The following members were present:

The following members were absent:

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Commissioner _____ moved that the following resolution, copies of which have been made available to the Board of Commissioners, be adopted, by reading the title thereof (further reading waived without objection):

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF; ELECTING DIRECTORS OF HENDERSON COUNTY GOVERNMENTAL FINANCING CORPORATION; AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Henderson, North Carolina (the "*County*") is a validly existing political subdivision, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "*State*");

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the money advanced therefor;

WHEREAS, the Board of Commissioners of the County (the “Board”) previously determined that it is in the County’s best interest to enter into an Installment Financing Contract (the “Contract”) in an amount not to exceed \$100,000,000 with the Henderson County Governmental Financing Corporation (the “Corporation”) to (a) finance the renovation and expansion of the County’s existing detention facility (the “Detention Facility”) as part of a County judicial center (the “New Money Project”), and (b) refinance all or a portion of the County’s outstanding installment payment obligations related to an Installment Financing Contract, dated as of August 15, 2015, with the Corporation, the proceeds of which were used to finance the acquisition, construction, and equipping of a health education center (the “Refunded Project” and together with the New Money Project, the “2025 Projects”);

WHEREAS, based upon additional information received by the County, it is in the best interest of the County for the Contract to be in an updated amount not to exceed \$110,000,000;

WHEREAS, it is in the best interest of the County to enter into a Deed of Trust, Security Agreement and Fixture Filing (the “Deed of Trust”) related to the County’s fee simple interest in the real property on which the Detention Facility is located, together with the improvements thereon (the “Mortgaged Property”), that will provide security for the County’s obligations under the Contract;

WHEREAS, in furtherance of the above plan, the Corporation will execute and deliver its Limited Obligation Bonds (County of Henderson, North Carolina), Series 2025 (the “2025 Bonds”) in an aggregate principal amount not to exceed \$110,000,000, evidencing proportionate undivided interests in rights to receive certain Revenues (as defined in the Contract), under the terms of an Indenture of Trust (the “Indenture”) between the Corporation and U.S. Bank Trust Company, National Association, as trustee;

WHEREAS, in connection with the sale of the 2025 Bonds by the Corporation to PNC Capital Markets LLC (the “Underwriter”), the Corporation will enter into a Contract of Purchase (the “Contract of Purchase”) between the Corporation and the Underwriter, and the County will execute a Letter of Representation to the Underwriter with respect to the 2025 Bonds (the “Letter of Representation”);

WHEREAS, there have been described to the Board the forms of the following documents (collectively, the “Instruments”), copies of which have been made available to the Board, which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the Contract;
- (2) the Indenture, including the form of the 2025 Bonds;
- (3) the Deed of Trust; and
- (4) the Letter of Representation;

WHEREAS, to make an offering and sale of the 2025 Bonds, there will be prepared a Preliminary Official Statement with respect to the 2025 Bonds (the “Preliminary Official Statement”), a draft thereof having been presented to the Board, and a final Official Statement relating to the Preliminary Official Statement (together with the Preliminary Official Statement, the “Official Statement”), which Official Statement will contain certain information regarding the County;

WHEREAS, it appears that each of the Instruments and the Preliminary Official Statement is in an appropriate form and is an appropriate instrument for the purposes intended;

WHEREAS, a public hearing on the Contract, Deed of Trust, and the 2025 Projects to be financed and refinanced thereby, after publication of a notice with respect to such public hearing, must be held and the Board conducted such public hearing at its July 16, 2025 meeting;

WHEREAS, the County will file an application to the North Carolina Local Government Commission (the “LGC”) for approval of the Contract;

WHEREAS, Parker Poe Adams & Bernstein LLP, as bond counsel, will render an opinion to the effect that entering into the Contract and the transactions contemplated thereby are authorized by law;

WHEREAS, pursuant to Article III of the Corporation’s existing bylaws, the Board must elect or re-elect the Corporation’s directors upon the expiration of their terms;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, AS FOLLOWS:

Section 1. ***Ratification of Instruments.*** All actions of the County, the Chairman of the Board (the “*Chair*”), the Clerk to the Board (the “*Clerk*”), the County Manager, the Finance Director, the County Attorney, and their respective designees, whether previously or hereinafter taken, in effectuating the proposed financing, including the making of application to the LGC, are approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. ***Authorization of the Official Statement.*** The form, terms and content of the Preliminary Official Statement are authorized, approved, and confirmed, and the Underwriter’s use of the Preliminary Official Statement and the final Official Statement in connection with the sale of the 2025 Bonds is authorized, approved and confirmed. The Chair, the County Manager, the Finance Director, and the Clerk (collectively, the “*Authorized Officers*”), are authorized and directed, individually and collectively, to deliver, on behalf of the County, the Official Statement in substantially such form, with such changes, insertions and omissions as he or she may approve.

Section 3. ***Authorization to Execute the Instruments.*** The Board authorizes and approves the financing of the 2025 Projects in an amount not to exceed \$110,000,000 and in accordance with the terms of the Instruments, which will be a valid, legal and binding obligations of the County in accordance with their terms. The form and content of the Instruments are authorized, approved and confirmed, and the Authorized Officers and their respective designees are authorized, empowered and directed, individually and collectively, to execute and deliver the Instruments, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the County’s approval of any and all changes, modifications, additions or deletions therein from the form and content of the Instruments presented to the Board. From and after the execution and delivery of the Instruments, the Authorized Officers are authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Instruments as executed.

Section 4. ***County Representative.*** The Authorized Officers are designated as the County’s representatives to act on behalf of the County in connection with the transactions contemplated by the Instruments and the Preliminary Official Statement, and are authorized to proceed with financing the 2025 Projects in accordance with the Instruments and the Preliminary Official Statement and to seek opinions as a matter of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated hereby as

required by law. The County Manager and the Finance Director are authorized, individually and collectively, to select any co-managing underwriters for the 2025 Bonds if they determine such selection to be in the best interest of the County. The Authorized Officers and their respective designees are authorized, empowered and directed, individually and collectively, to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by the Instruments and the Preliminary Official Statement or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution and to administer the transactions contemplated by this Resolution after the execution and delivery of the 2025 Bonds.

Section 5. ***Election of Corporation Directors.*** Pursuant to Article III of the Corporation's bylaws, the Chair of the Board, the Vice-Chair of the Board, and the County Manager are elected to serve as directors of the Corporation *ex officio* their positions with the County.

Section 6. ***Severability.*** If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 7. ***Repealer.*** All motions, orders, resolutions and parts thereof, in conflict herewith are repealed.

Section 8. ***Effective Date.*** This Resolution is effective on the date of its adoption.

On motion of Commissioner _____, the foregoing resolution entitled "**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF; ELECTING DIRECTORS OF HENDERSON COUNTY GOVERNMENTAL FINANCING CORPORATION; AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**" was duly adopted by the following vote:

AYES:

NAYS:

STATE OF NORTH CAROLINA)
)
COUNTY OF HENDERSON) SS:

I, *Denisa A. Lauffer*, Clerk to the Board of Commissioners of the County of Henderson, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution titled **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF; ELECTING DIRECTORS OF HENDERSON COUNTY GOVERNMENTAL FINANCING CORPORATION; AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS”** adopted by the Board of Commissioners of the County of Henderson, North Carolina in regular session convened on the 4th day of August, 2025, as recorded in the minutes of the Board of Commissioners of the County of Henderson, North Carolina.

WITNESS, my hand and the seal of the County of Henderson, North Carolina, this the ____ day of August, 2025.

(SEAL)

Denisa A. Lauffer
Clerk to the Board of Commissioners
County of Henderson, North Carolina