

REQUEST FOR BOARD ACTION

HENDERSON COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: 2 March 2009

SUBJECT: Resolution Approving Dana Volunteer Fire and Rescue Department, Inc., financing

ATTACHMENT(S): Draft Resolution

SUMMARY OF REQUEST:

Dana Volunteer Fire and Rescue Department, Inc. ("the VFD"), seeks financing to pay for (re)construction of its firehouse in the Dana community.

In order to obtain tax-free financing for this project, a volunteer fire department must receive "public approval" for the financing from the local governing board with which it contracts to provide fire protection service. This resolution would grant such approval, and would allow the VFD to obtain financing at a lower rate for this project (as interest payments would not be taxable to the financier).

County staff will be present and prepared if requested to give further information on this matter.

BOARD ACTION REQUESTED:

Approval of the resolution.

If the Board is so inclined, the following motion is suggested:

I move that the Board adopt the proposed resolution allowing the financing by Dana Volunteer Fire and Rescue Department, Inc.

**RESOLUTION
FOR APPROVAL OF TAX-EXEMPT LOAN TO DANA FIRE AND RESCUE
DEPARTMENT, INC.**

WHEREAS, Dana Volunteer Fire and Rescue Department, Inc., also known as Dana Fire & Rescue Department, Inc. ("the VFD"), is a North Carolina non-for-profit corporation; and,

WHEREAS, the VFD provides, pursuant to a Contract for Fire Protection executed by it and Henderson County, fire protection for the Dana Fire Protection District within Henderson County; and

WHEREAS, the VFD is in need of financing to construct a new fire station; and,

WHEREAS, the approval of the Board of Commissioners of Henderson County is required for such financing in order for the VFD to obtain the benefits of tax exemption for any interest payments made by it;

WHEREAS, the Board of Commissioners of Henderson County desire to grant such approval; and,

WHEREAS, this matter comes before the Board of Commissioners of Henderson County by way of a public hearing after notice and opportunity for the public to be heard as required by law

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Commissioners of Henderson County, North Carolina does hereby approve (within the scope of the qualifying language set forth below) a tax-exempt loan to the Dana Volunteer Fire and Rescue Department, Inc. ("the VFD"), from Carolina First Bank in the principal amount of not more than \$800,000.00, which loan is for the purpose of the construction of a new fire station for the VFD, which fire station will be owned and operated by the VFD 2001 Dana Road, Dana, NC 28724.

RESOLVED, FURTHER, that the approval of the loan to the VFD set forth above is given solely for purposes of the public approval requirements for tax-exempt financing applicable to the VFD because of Section 150 (e) (3) and Section 147 (f) of the Internal Revenue Code of 1986, as amended, and such approval does not obligate Henderson County or its Board of Commissioners in any way regarding repayment of the debt.

THIS the _____ day of _____, 2009.

HENDERSON COUNTY BOARD OF COMMISSIONERS

By: _____
Chairman

ATTEST

Elizabeth W. Corn