Office of the City Manager
City of Greensboro

GREENSBORO

September 17, 2010

Reminder

Please review and provide feedback on the Solid Waste Disposal RFP from the 9.10.10 IFYI to Diana Schreiber, Deputy City Clerk.

TO: Mayor and Members of Council

FROM Rashad M. Young, City Manager /Can for

SUBJECT: Items for Your Information

Contact Center Feedback
Attached is the weekly report generated by our Contact Center for the week of 9/6/10 – 9/12/10.

Zoning Commission Meeting Results
Attached is the results of the September 13, 2010 Zoning Commission Meeting.

Library Service and Technology (LSTA) Teen Leadership Project Report
As a follow-up to a request made by Councilmember Trudy Wade at the September 7, 2010 City Council Meeting, attached is a memorandum from Sandy Neerman, Director of the Greensboro Public Library, dated September 15, 2010, regarding the McGirt-Horton Library Video Game Night.

E-Rate and Child Internet Protection Act Fact Sheet
As a follow-up to a request made by Councilmember Trudy Wade at the September 7, 2010 City Council Meeting, attached is a memorandum from Sandy Neerman, Director of the Greensboro Public Library, dated September 15, 2010, providing a fact sheet on E-Rate and the Child Internet Protection Act (CIPA).

Agapion Minimum Housing Standard Appeal
Mr. William Agapion filed an action against the City of Greensboro, its employees and agents on July 10, 2008, for demolishing 200, 204, 208, 210, 213, 215, 219, 223 and 225 Guerrant Street. The lawsuit was filed in an attempt to appeal an action of the Minimum Housing Standards Commission.

The City's Legal Department filed a Motion to Dismiss on October 8, 2008, and the Court only allowed Mr. Agapion to proceed against the City with regard to properties located at 211 (part of 213) and 217 (part of 215) Guerrant Street, Greensboro, NC. The City answered Mr. Agapion's Complaint denying any wrongdoing and asked that the matter be dismissed.

The Superior Court entered a Summary Judgment in favor of the City. Mr. Agapion appealed to the Court of Appeals, and the case was heard on May 13, 2010. On September 7, 2010, the North Carolina Court of Appeals ruled that Mr. Agapion's claim had no merit and his filing of the action was "an attempt to circumvent the prescribed statutory procedure for appeals."

Interim City Attorney Becky Jo Peterson-Buie handled the appeal for the City of Greensboro and any questions can be directed to her.

Telecommunication Right-of-Way Agreements
Attached is a memorandum from Thomas Carruthers, Assistant City Attorney, dated September 14, 2010, providing an overview of telecommunication right-of-way agreements.

Sale of Certificates of Participation (COPs)
Attached is a memorandum from Rick Lusk, Director of Finance, dated September 15, 2010, regarding the Certificates of Participation (COPs) that were sold on September 16, 2010, to finance a portion of the Greensboro Aquatic Center, including the reports issued by all three rating agencies. The COPs were approved by City Council at the August 2, 2010 meeting.

Cymphonix New Contact Information
In last week's IFYI, we included contact information for Cymphonix. Cymphonix has notified the Library that Fred Geiger, Products Manager, will be the primary contact for information requests. He can be reached at (801) 938-1500.

Public Affairs Department
Contact Center Weekly Report
Week of 9/6/10 - 9/12/10

Contact Center
4560 calls answered this week

Top 5 calls by area

Water Resources	Field Operations	All others
Balance Inquiry – 1050	No Service/Garbage – 95	Police/Watch Operations – 347
Bill extension - 187	Bulk Guidelines – 86	Landfill/Transfer/HHW – 84
New customer - 163	Repair Can/Garbage – 68	Courts/Sheriff – 69
General information - 113	No service/bulk items - 53	Overgrown Lots – 25
Cutoff request - 110	Holiday schedule- 41	Tax Department - 19

Comments

We received seven comments this week:

Field Operations – 5 comments:

- On residential streets such as mine (Magnolia St), you could ask residents to put collection bins all on one side of the street, so that trucks only have to make one pass. A minor inconvenience for residents but less noise, time, gas, backtracking, etc. for the trucks.
- On the new calendar postcards the holiday schedule is not on there (the wording)making it difficult for residents to know trash collection has changed for the particular week resident did not see the holiday schedule in the newspaper, would like more notification as this is inconvenient
- Lives in townhome community and uses green recycle bags. There is no location for a recycle bin. Customer says that over a two-week period, the pile of newspapers is too large and would like to be able to put recycle bags out each week with regular trash.
- Customer receives several packages from internet/mail orders and wishes the city would resume picking up cartons at the curb. This would help recycling efforts by encouraging people to make better use of recyclable goods
- Poor communication for the new schedule on Holiday. Was upset and did not want to give me her address or her street name. States that we should have put the holiday schedule on the new postcard. She was also upset that we only picked up half of her trash bags with trash in them. She was advised that we do not pick up overflow trash.

Transportation – 2 comments:

- Calling to say thank you for the three stop signs that are going up at Country Club and St Andrews. She did not initiate the request but appreciates that they are being installed.
- Called to inquire about the possibility of his neighborhood obtaining some speed cushions like the ones being tested on Frazier Rd. He says they have made a world of difference on Frazier road and believes they would be a great help in his own neighborhood.

Overall

Some confusion over the holiday schedule for solid waste caused a flurry of calls right after the holiday, but these had subsided by the end of the week. Calls remained busy for water billing.

ZONING COMMISSION RESULTS						
MEETING OF SEPTEMBER 13, 2010						
AGENDA ITEM	**REQUEST/LOCATION**	**PROPOSED USE** * (Not binding if not stated as a condition)	**ACTION/VOTE**	**STAFF REC**	**STATUS**	**SPEAKERS**
Z-10-07-004	RS-12 to CD-GO-M 3701 West Friendly Avenue Henry Isaacson for W. Luke and Glendale P. Johnson	Offices and multi-family dwellings	**Denied** **7 to 1**	Denial	Final (Unless Appealed)	2 for; 7 opposed
Z-10-09-001	CD-O and O to CD-C-M 3316 Battleground Avenue Jeff Nimmer for Kotis Holdings, LLC	Retail and offices	**Approved** **8 to 0**	Approval	Final (Unless Appealed)	1 for; 0 opposed
Z-10-09-002	CD-C-M to CD-C-H 1314-1320 Lees Chapel Road Jeff Nimmer for Kotis Holdings, LLC	Shopping center	**Approved** **8 to 0**	Approval	Final (Unless Appealed)	1 for; 0 opposed
Z-10-09-003	LI to CB 321 East Friendly Avenue (Portion of) Richard L. Moore for Weaver Foundation, LLC	Downtown project	**Continued** **8 to 0**	Approval	Continued to the November 8, 2010 Zoning Commission Meeting	1 for; 0 opposed
Z-10-09-004	LI (City of High Point) to R-3 (City of Greensboro) A portion of South Chimney Rock Road generally described as street right-of-way abutting 736 South Chimney Rock Road to the south and 4397 Federal Drive to the north City of Greensboro	Road right-of-way	**Favorable Recommendation** **8 to 0**	Approval	October 5, 2010 City Council Meeting	1 for; 0 opposed
Z-10-09-005	CD-R-5 to CD-PI North of Stewart Mill Road, south of Millstream Road, east of AT&T Drive and west of Creek Road Guilford County Board of Education for Atlas NC I SPE, LLC	Elementary school	**Continued** **8 to 0**	Approval	Continued to the October 11, 2010 Zoning Commission Meeting	1 for; 0 opposed

To view agenda with zoning conditions and maps, please visit our web site at:

http://www.greensboro-nc.gov/departments/Planning/boards/zoning/

If you have any questions about these results, please contact Rawls Howard or Frederick Boateng (373-2144)

Greensboro Public Library
City of Greensboro

GREENSBORO

September 15, 2010

TO: Rashad Young, City Manager

FROM: Sandy Neerman, Library Director

SUBJECT: Library Services and Technology (LSTA) Teen Leadership Project at McGirt-Horton Library Video Game Night

One of the objectives of the grant awarded to the Greensboro Public Library under the Library Services and Technology Act (LSTA) is that the Library offer video gaming as a way to attract teens to the McGirt-Horton Branch Library. Video gaming gives the library staff an opportunity to interact with teenagers who might not normally seek out library events. Video gaming, as offered by the library, also teaches literacy and leadership skills. In *What Video Games Have to Teach Us About Learning and Literacy* (Palgrave Macmillan Press, 2003) author, Paul Gee says that video games teach critical thinking, problem solving, leadership and visual literacy.

Since video gaming is a growth industry, teens at the McGirt-Horton Branch Library will have a chance to learn about how video games are designed and thus be introduced to the job and career opportunities in this industry. This potentially gives them an edge in our technology-oriented world. In 2011, teens will be challenged to design a video game that promotes library usage and civic engagement.

For Additional Information:
Corbett, Sarah. "Learn by Playing." *New York Times Magazine* 19 Sept.2010: MM54. Print.

SN/bb

cc: Denise Turner, Assistant City Manager
Nelsie Smith, Assistant to the City Manager

Greensboro Public Library
City of Greensboro

GREENSBORO

September 15, 2010

TO: Rashad Young, City Manager

FROM: Sandy Neerman, Library Director

SUBJECT: E-Rate and CIPA (Child Internet Protection Act) Fact Sheet

Please see the attached documents.

SN/bb
Attachment

cc: Denise Turner, Assistant City Manager
Nelsie Smith, Assistant to the City Manager

What is E-Rate?

"E-rate" is the commonly known name for the Schools and Libraries Program of the Universal Service Fund. The Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission (FCC) administers the fund.

What is the purpose of the Universal Service Fund according to the Telecommunications Act of 1996?

The goals of Universal Service, as mandated by the Telecommunications Act of 1996, are to:

- promote the availability of quality services at just, reasonable, and affordable rates;
- increase access to advanced telecommunications services throughout the Nation; and
- advance the availability of such services to all consumers, including those in low income, rural, insular, and high cost areas at rates that are reasonably comparable to those charged in urban areas.

In addition, the 1996 Act states that all providers of telecommunications services should contribute to federal universal service in some equitable and nondiscriminatory manner. There should be specific, predictable, and sufficient Federal and State mechanisms to preserve and advance universal service. All schools, classrooms, health care providers, and libraries should, generally have access to advanced telecommunications services. Finally, the Federal-State Joint Board and the Commission should determine those other principles that are consistent with the 1996 Act and that are necessary to protect the public interest.

How does the Universal Service Fund define Libraries?

Libraries must meet the statutory definition of library or library consortium found in the 1996 Library Services and Technology Act (Pub. L. 104-208) (LSTA) to meet eligibility requirements for Schools and Libraries support.

- Libraries must be eligible for assistance from a state library administrative agency under that Act.
- Libraries must have budgets completely separate from any schools (including, but not limited to, elementary and secondary schools, colleges and universities).
- Libraries cannot operate as for-profit businesses.

What does the "E-rate" provide to schools and libraries?

"E-rate" provides discounts to assist schools and libraries in the United States to obtain affordable telecommunications and Internet access.

The Schools and Libraries Program supports connectivity -- the conduit or pipeline for communications using telecommunications services and/or the Internet. Funding is requested under four categories of service: telecommunications services, Internet access, internal connections, and basic maintenance of internal connections. Discounts for support depend on the level of poverty and the urban/rural status of the population served, and range from 20% to 90% of the costs of eligible services. Eligible schools, school districts and libraries may apply individually or as part of a consortium.

Summary of the process schools and libraries follow to apply for and receive support:

- **Step 1** Determine Eligibility
- **Step 2** Develop a Technology Plan
- **Step 3** Open a Competitive Bidding Process
- **Step 4** Select a Service Provider
- **Step 5** Calculate the Discount Level
- **Step 6** Determine Your Eligible Services
- **Step 7** Submit Your Application for Program Support
- **Step 8** Undergo Application Review
- **Step 9** Receive Your Funding Decision
- **Step 10** Begin Receipt of Services
- **Step 11** Invoice USAC

Applicants must provide additional resources including end-user equipment (e.g., computers, telephones, etc.), software, professional development, and the other elements that are necessary to utilize the connectivity funded by the Schools and Libraries Program.

What is the relationship between "E-rate" and CIPA (Child Internet Protection Act)?

CIPA applies to public libraries receiving Universal Service (E-rate) and/or Library Services and Technology Act (LSTA) funds for certain uses:

- E-Rate: Public libraries are required to comply with CIPA if they receive E-rate discounts for Internet access or internal connections. (Note that libraries receiving discounts for telecommunications services are *not* affected.)
- LSTA: Public libraries are required to comply with CIPA if they receive LSTA funds to purchase computers used for Internet access or to pay for direct costs associated with Internet access.

Public libraries required to comply with CIPA must do the following to receive E-rate funds:

(1) adopt Internet safety policies that address:

- access by minors to "inappropriate matter" on the Internet (the local library or its governing body shall determine what matter is "inappropriate");
- safety and security of minors when using e-mail, chat rooms, and other forms of direct electronic communication;
- unauthorized access, including hacking and other unlawful online activities by minors;
- unauthorized disclosure of personal identification information of minors; and
- measures designed to restrict minors' access to harmful materials.

(2) provide notice and hold at least one hearing or meeting on the proposed Internet safety policy.

(3) certify the adoption and implementation of an Internet safety policy that includes "operation of a technology protection measure *with respect to any of its computers with Internet access* that protects against access through such computers to visual depictions that are":

- obscene
- child pornography
- harmful to minors

and certify as well that they are enforcing the operation of the technology protection measure during use of their computers.

Are our North Carolina peer libraries receiving e-rate funding this year?

Library System	Does the Library System Receive E-Rate Funding?	How is E-Rate Fund Managed?
Mecklenburg	Yes	Library employs a consultant to complete the application.
Wake	Yes	Library submits all applications and reports.
Forsyth	No	N/A
Cumberland	Yes	Library submits all applications and reports.
Durham	Yes	Library submits all applications and reports.
Buncombe	Yes	Library submits all applications and reports.
New Hanover	No	N/A
Union	No	N/A

City Attorney
City of Greensboro

GREENSBORO

September 14, 2010

TO: William H. Knight, Mayor, City of Greensboro

FROM: Thomas D. Carruthers, Assistant City Attorney

SUBJECT: Telecommunication Right of Way Agreements.

Cable, telephone, and telecommunications industries utilize coaxial, wire, and fiberoptic cable that are placed in the right of way of the City of Greensboro. Each type of industry has its own method of regulation.

Cable regulation was entirely preempted by the State in 2006 through the Video Services Competition Act. The City is unable to directly assess any fee to the cable industry for use of the right of way.

Taxation of the telephone industry is preempted by the state. Southern Bell (now AT&T) has an exclusive 50 year franchise agreement with the City to provide telephone service to all customers in the City who wish to pay for the service. In order to encourage universal coverage, Greensboro did not assess any fee for the use of the right of way by this corporation.

Regulation of the telecommunication industry is a developing body of law both nationally and locally. Though the State has preempted the right to tax this industry, municipalities are entitled to assess reasonable fees for use of their right of way. The amount of these fees varies greatly in the State. The City of Durham charges a onetime fee of $7,500.00 for large telecommunications installations. The City of Raleigh charges a onetime fee of $ .25 per linear foot. The City of Charlotte charges approximately $6,000.00 per year. (This fee information is believed to be accurate but not yet confirmed.) Greensboro charges $1.75 per liner foot per year. Greensboro's fees will generate approximately $400,000.00 this fiscal year for the City.

The City of Greensboro Ordinance, Chapter 28.1, requires all telecommunication providers to sign a nonexclusive agreement to place conduit in the City's right of way. At present there are 8 telecommunication providers in the City. These are Qwest, DeltaCom, DukeNet, Level 3, Elantic Telecom, Telcove, AT&T and TW Telecom (formerly Time Warner Telecommunications).

TDC

cc: Becky Jo Peterson-Buie, Interim City Attorney

Financial & Administrative Services
City of Greensboro

GREENSBORO

September 16, 2010

TO: Rashad Young, City Manager

FROM: Rick Lusk, Finance Director

SUBJECT: September 16, 2010 sale of $7 million Certificates of Participation (COPs) to finance a portion of the Greensboro Aquatic Center

Today, the City sold $7 million in Certificates of Participation (COPs) for the Greensboro Aquatic Center project. The COPs were issued with a 20.5-year term, maturing April 1, 2031 and a net interest cost of 4.16%. Funding for the $19 million project will be provided by $7 million COPs and $12 million General Obligation (GO) Bonds: $6 million GO Bonds will be sold on October 13, 2010 and the remaining $6 million GO Bonds will be sold in FY 11-12.

By agreement between the City, Guilford County and the Greensboro/Guilford County Tourism Development Authority, debt service on the COPs will be reimbursed over the term of the debt from the Authority's Hotel/Motel Tax proceeds.

Details of the credit ratings are provided in the attached reports from Standard & Poor's, Fitch Ratings and Moody's Investors Service; the COPs were rated AA+, AA and Aa2, respectively. At the same time, the AAA bond ratings on the City's outstanding GO debt were affirmed.

RL/nls

cc: Bob Morgan, Deputy City Manager

STANDARD
&POOR'S

Global Credit Portal
RatingsDirect®

August 31, 2010

Summary:

Greensboro, North Carolina; Appropriations

Primary Credit Analyst:
Linda Yip, New York (1) 212-438-2036; linda_yip@standardandpoors.com

Secondary Credit Analyst:
Richard J Marino, New York (1) 212-438-2058; richard_marino@standardandpoors.com

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Summary:

Greensboro, North Carolina; Appropriations

Credit Profile		
US$7. mil certs of part (Greensboro Pub Imp Proj) ser 2010 due 04/01/2031		
Long Term Rating	AA+/Stable	New
Greensboro taxable adj rate rfdg COPs (Greensboro Colliseum Complex) ser 99B		
Long Term Rating	AA+/A-1+/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'AA+' rating, and stable outlook, to Greensboro, N.C.'s series 2010 certificates of participation (COPs) and affirmed its 'AA+' rating on the city's appropriation debt.

The 'AA+' rating reflects:

- The creditworthiness of Greensboro (AAA), as lessee;
- The security provided by the installment financing agreement with payments subject to annual appropriation by the city;
- The city's demonstrated commitment in repaying its appropriation-backed obligations; and
- The strong oversight provided by the Local Government Commission.

Officials plan to use bond proceeds to fund the construction, equipping, and furnishing of a new aquatics center in the Greensboro War Memorial Coliseum Complex.

Installment payments made by the city to Greensboro Center City Corp., pursuant to an installment financing agreement dated Sept.1, 2010, secure the COPs. The deed of trust agreement, dated Sept. 1, 2010, executed and delivered to the deed of trust trustee for the benefit of the corporation, provides additional security. The deed of trust grants a lien on the real property on which the aquatics center is located. The corporation has assigned all of its rights in the deed of trust to the trustee pursuant to the trust agreement. As stated in the installment-purchase agreement, the city's budget officer is required to include installment payments for the certificates in the budget. There is no abatement of the installment payments. The city is responsible for all taxes, operations and maintenance, and insurance. The contract constitutes a triple net lease with no right to set off or counterclaim.

(For further information on Greensboro's general credit profile, please refer to the most recent report, published Aug. 31, 2010, on RatingsDirect on the Global Credit Portal.)

Outlook

The stable outlook reflects Standard & Poor's expectation that the city should maintain a strong financial position while addressing recessionary and capital pressures. The city's stable employment base and access to a strong regional economy provide additional rating stability.

Related Criteria And Research

USPF Criteria: Appropriation-Backed Obligations, June 13, 2007

Complete ratings information is available to RatingsDirect subscribers on the Global Credit Portal at www.globalcreditportal.com and RatingsDirect subscribers at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

FitchRatings

FITCH RATES GREENSBORO, NC'S COPS 'AA'; OUTLOOK STABLE

Fitch Ratings-New York-30 August 2010: Fitch Ratings has assigned the following rating:

--$7 million in certificates of participation (COPs), series 2010 'AA'.

The bonds are scheduled to sell via negotiation the week of Sept. 13, 2010.

In addition, Fitch affirms the following ratings:

--$161.2 million general obligation (GO) bonds at 'AAA';
--$10.8 million in special obligation bonds at 'AAA'.

The Rating Outlook is Stable.

RATING RATIONALE:

--The 'AA' rating on the COPS reflects debt service being subject to appropriation and the non-essential nature of the mortgaged property as well as the general credit characteristics of the city.
--Conservative budgeting and cost saving measures have minimized the impact of the economic downturn and depressed revenue environment on Greensboro's financial profile to date.
--Reserves and liquidity remain healthy and serve to temper risk against budgetary pressures that are likely to persist over the next several years.
--Prospects for economic development and diversification remain sound buoyed by Greensboro's university presence, highly educated workforce, and transportation infrastructure anchored by the Piedmont Triad International Airport.
--A declining yet still sizable manufacturing sector has served to limit income metrics and contributed to a high rate of unemployment presently on par with the national average.
--Overall debt levels should remain moderate given the rapid amortization of outstanding principal, manageable additional issuance plans, and the city's continued adherence to conservative debt policies.
--For the special obligation bonds, the rating incorporates the general creditworthiness of the city in addition to very strong coverage from pledged revenues, lack of additional issuance plans, and strong legal provisions.

KEY RATING DRIVERS:

--Fitch expects continued strong financial management will result in balanced operations that preserve existing reserve levels and financial flexibility in the near term.
--For the special obligation bonds, material coverage dilution resulting from the issuance of additional debt is not anticipated and could carry negative rating implications.

SECURITY:

The COPs are being executed and delivered pursuant to a Trust Agreement, dated Sept. 1, 2010, between the Greensboro Center City Corporation (the corporation) and U.S. Bank National Association, the trustee. The proceeds of the COPS will be advanced to the city pursuant to an Installment Financing Agreement (the agreement), also dated Sept. 1, 2010, between the city and the corporation. The COPS evidence proportionate and undivided ownership interests in the installment payments, which are equal to debt service, to be made by the city pursuant to the agreement. The city's obligation under the agreement will be secured by a Deed of Trust, dated as of the delivery date, from the city to the trustee for the benefit of the corporation, granting a first lien on the mortgaged property, which consists of an aquatics center. In the event of non-payment, the trustee is able to foreclose on the mortgaged property. Pursuant to the Trust Agreement, the corporation will assign to the trustee all of its rights under the agreement, including the right to receive installment payments, and the deed of trust, for the benefit of bondholders.

The GO bonds are secured by the city's full faith and credit and unlimited taxing authority.

The special obligation bonds are secured by the city's portion of the proceeds of two 0.5% sales and use taxes (Articles 40 and 42) levied by Guilford County (the county).

CREDIT SUMMARY:

Greensboro is the county seat of Guilford County (GO bonds rated 'AAA' with a Stable Outlook) and the third largest city in the state with a 2009 population of 250,642. Greensboro is located 90 miles northeast of Charlotte at the intersection of a comprehensive transportation network which includes three major interstates with a new beltway under construction and the Piedmont Triad International Airport. The recession has intensified job losses within a manufacturing sector in steady decline due to automation, technology and outsourcing, among other factors. As a result, income growth has lagged and unemployment rose to a peak of 11% in July 2009 before declining moderately to its current level of 10.5% for June 2010. Management anticipates a slow recovery but optimism exists due to a growing presence of high-tech, life sciences, and pharmaceutical companies. The University of North Carolina at Greensboro and North Carolina Agricultural and Technical State University are partnering in the development of the Gateway University Research Park and a joint school of nanoscience and nanoengineering that should have a positive impact attracting high-wage jobs in targeted industry clusters. Fitch notes a number of non-manufacturing businesses recently locating or expanding within Greensboro citing the city's central southeast location, proximity to multi-modal transportation infrastructure, and high quality of life. American Express recently announced plans to construct a major data center on land expected to be annexed by the city that would have favorable tax revenue and job implications for the city and its residents.

Strong financial management and adherence to fiscal policies continue to produce generally stable operating results and sound reserve levels. A third consecutive year of surplus year-end results contributed to an unreserved general fund balance totaling $28.8 million or 11.6% of total spending at the close of fiscal 2009. The city maintains an additional cushion of $14.9 million unreserved fund balance in the debt service fund, $19.2 million in state statute reserves for receivables, and $7.4 million in reserves established by city council for capital spending. Fitch regards these balances, which total $70.3 million or 28% of spending, available for operations if needed. Management expects to incur a net deficit of $1.8 million in fiscal 2010 due to shortfalls in budgeted sales and use tax receipts. The fiscal 2011 budget appropriates $4.9 million in general fund balance, an increase of $700,000 from fiscal 2010. The city has demonstrated very effective expenditure controls in recent years and management is optimistic there is sufficient flexibility within the budget to achieve break-even results without use of the appropriated fund balance.

Debt ratios remain moderate but have trended higher reflecting increased overlapping issuance by Guilford County. Debt service represents a manageable 6.5% of the city's total spending, which is below its 10% policy limit. The 2010-2016 capital improvement plan (CIP) totals $597.5 million which is a 25% decrease from the year prior. Funding sources include $214.6 million in authorized and unissued GO bonds. The current COPs issuance will finance a portion of the roughly $19 million aquatics center with the remaining $12 million being financed through an upcoming GO issuance this fall. The city plans to sell up to $75 million in bonds through fiscal 2012 followed by issuances of approximately $40 million to $50 million every other year. Amortization is rapid (70% of outstanding principal is repaid within 10 years) minimizing risk to additional debt plans. Revenue bonds and enterprise fund pay-go capital spending constitute the largest source of funds in the CIP at $288 million. Fitch rates the city's combined enterprise fund revenue bonds 'AAA' with a Stable Outlook.

Sales and use tax pledged to the special obligation bonds are levied by the county and divided between incorporated municipalities within the county on the basis of ad valorem taxation. The levying of the sales and use tax is within the sole discretion of the county. The city has also covenanted to pledge additional unencumbered non-tax revenues if coverage from pledged sales and use tax revenues falls below 2.0 times (x). Additional parity special obligation indebtedness may be incurred if pledged revenues for the most recent audited fiscal year are not less than the greater of 2.0 times (x) maximum annual debt service (MADS) on parity indebtedness or 1.0x MADS on parity and subordinated indebtedness. Despite a 9.8% decrease in collections in fiscal 2009, coverage remained sound at 5.5x. Through 11 months of fiscal 2010, revenues have increased 4.3% with the city projecting 5.8 coverage for the year.

Contact:

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Media Relations: Cindy Stoller, New York, Tel: +1 212 908 0526, Email: cindy.stoller@fitchratings.com.

Additional information is available at 'www.fitchratings.com'

In addition to the sources of information identified in the Tax-Supported Rating Criteria, this action was additionally informed by information from Creditscope, University Financial Associates, LoanPerformance, Inc., IHS Global Insight, Underwriter, Bond Counsel, Underwriter Counsel, Trustee and the US Federal Government.

Related Research:
'Tax-Supported Rating Criteria', dated Aug. 16, 2010.
'U.S. Local Government Tax-Supported Rating Criteria', dated Dec. 21, 2009.

For information on Build America Bonds, visit www.fitchratings.com/BABs.

Related Research:
Tax-Supported Rating Criteria
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=548605
U.S. Local Government Tax-Supported Rating Criteria
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=492470

OF THIS SITE.

MOODY'S ASSIGNS Aa2 RATING TO THE CITY OF GREENSBORO'S (NC) $7 MILLION COPS (GREENSBORO PUBLIC IMPROVEMENT PROJECT), SERIES 2010

AFFIRMS Aaa RATING ON $171 MILLION IN GO DEBT OUTSTANDING

Greensboro (City of) NC
Municipality
North Carolina

Moody's Rating

Issue	Rating
Certificates of Participation (Public Improvement Project), Series 2010	Aa2

Sale Amount $7,000,000
Expected Sale Date 09/30/10
Rating Description Certificates of Participation

NEW YORK, August 27, 2010 -- Moody's Investors Service has assigned a Aa2 rating to the City of Greensboro's (NC) $7 million Certificates of Participation (Greensboro Public Improvement Project), Series 2010. The Certificates of Participation (COPs) are secured by installment payments from the city subject to annual appropriation. At the same time, Moody's has affirmed the Aaa rating on the city's $171 million of general obligation debt outstanding.

RATINGS RATIONALE

The Aaa rating incorporates the city's stable and diversifying economy, healthy financial position, which has a track record of stability in times of local and national economic weakness, and modest debt burden. We have also affirmed the Aa2 rating on the city's 2005 sales tax supported Special Obligation Bonds and removed the Aa3 rating on the city's 1997 Special Obligation Bond, which have been called in full.

SATISFACTORY LEGAL STRUCTURE; Aa2 RATING REFLECTS NON-ESSENTIAL COLLATERAL

The certificates are subject to annual appropriation and secured by recourse to the city's aquatics center for the benefit of bondholders in the event of non-appropriation. The certificates will fund an aquatics center at the city's Coliseum Complex. The $19 million facility will be financed with a combination of COPs ($7 million) and General Obligation bonds ($12 million). Debt service on the COPs is expected to be offset with hotel tax receipts. Collateral is provided by a security interest in the aquatics center and the land on which it sits. Total collateral available to bondholders in the event of non-appropriation will be approximately $20 million against outstanding COPs of $7 million - leaving a strong loan-to-value ratio of 285%. Moody's believes the pledged assets are not essential in nature for the functioning of city operations. However, the city's commitment to the projects, demonstrated track record of appropriating for installment payments, and strong underlying credit quality were important factors in the rating.

The city makes payments under the Installment Financing Agreement directly to the trustee one day before debt service payments are due to all certificate holders. Further mitigating the risk of non-appropriation, under terms of the lease, the budget officer is required to include installment payments in each proposed budget for the life of the certificates. The City Council may delete the appropriation only through an express resolution. If the city fails to make installment payments, the Trustee can accelerate payments and may institute foreclosure proceedings and apply the proceeds of the sale of project to the balance of payments due under the certificates. There is no debt service reserve fund on any of the current series.

TAX BASE EXPECTED TO REMAIN STABLE

The City of Greensboro serves as a primary trade and service center for the Piedmont Triad region, along with the City of Winston-Salem (G.O. rated Aaa) and the City of High Point (G.O. rated Aa1). While traditional manufacturing remains an important component of the local economy, the employment base has become increasingly diversified as health care, service sector and transportation related industries expand. The city's property tax base is estimated at $23 billion in 2010 and has grown at an annual average of 2.2% over the last five years. The city's last revaluation was in 2005 when new growth and property appreciation led to 24% growth. The next revaluation is expected in 2012.

Recessionary contraction in the regional job base, including construction, information, and manufacturing, has contributed to the city's 9.8% unemployment rate as of May 2010. This rate is in line with the 9.9% state rate and a slightly elevated compared to the 9.3% national unemployment rate for the same time period. Resident wealth levels remain above statewide norms, with a per capita personal income (U.S. Bureau of Economic Analysis) equal to 113.2% of the state; however, wealth levels have declined relative to the state over the past 30 years and remain significantly below Aaa medians.
Further, as reported by Moody's Economy.com, the drop in home prices is weighing on consumer spending, taking a toll on many consumer driven industries in the metro area. Credit conditions also remain weak, as delinquency rates across all lines of credit remain high, with mortgages in particularly poor shape. Positively, the city continues to benefit from the stabilizing presence of several institutions of higher education including UNC Greensboro (18,500 students), North Carolina A & T University (10,600 students) and Guilford Technical Community College (15,000 students).

Near-term economic growth will stem from a new mid-Atlantic hub for FedEx Corporation (Sr. Unsec. rated Baa2/stable) and a world headquarters facility for Honda Aircraft Company (subsidiary of Honda Motor Co. - Issuer rated
A1/stable) at the airport, in addition to the headquarters relocation of Mack Trucks, Inc. (subsidiary of AB Volvo - Issuer rated Baa2/stable) to Guilford County and the expansion of American Express to the area with the opening of a $600 million data services center expected to employ an estimated 150 people.

STABLE FINANCIAL POSITION; MAINTENANCE OF HEALTHY RESERVES KEY TO CREDIT QUALITY

The maintenance of a strong financial position is key for the maintenance of the city's Aaa rating. The city has maintained strong General Fund balances, ranging between 23% and 31% of revenues, over the last six years supported by the city's conservative budgeting practices. Further, the Undesignated General Fund balance has been relatively constant at around 9.5% of revenues over the same period, above the city's formal policy to maintain a minimum of 9% of the subsequent year's budget in undesignated reserves.

The General Fund balance increased by $407,151 in 2009, the city's third consecutive fund balance increase. The city fully replenished its $8 million fund balance appropriation--despite a drop off in sales tax revenues--due to over $14 million of expenditure savings. At year-end the city's Unreserved General Fund balance totaled $28.8 million or 11.6% of revenues. Of note, the city maintains additional financial flexibility outside of the General Fund with a $14.9 million Debt Service Fund balance which increases the city's available reserve balance (combined unreserved fund balance and Debt Service
Fund) to a solid 18% of revenues.

Following the recent close of fiscal 2010, the city expects to end with a modest General Fund balance reduction of $1.8 million (0.7% of budget), due primarily to lower than budgeted revenues, particularly continued sales tax revenue weakness relative to budget. The budget was balanced without salary increases for employees, a net reduction of 18 positions as well as a $4.6 million fund balance appropriation. The city expects undesignated fund balance to remain above 9% of the subsequent year's budget, in accordance with city policy, with a decline expected in the city's reserve for capital projects, a designation within General Fund balance.

The fiscal 2011 General Fund budget, a .3% reduction from the fiscal 2010 budget, is balanced with a net reduction of 43 positions, with no salary increases for employees as well as a $5.3 million fund balance appropriation.
The budget assumes modest 1% growth in the tax base ($230,000 of new property tax revenues) and a 3.1% reduction in sales tax revenues. General Fund sales tax revenue is conservatively budgeted at 1% below the fiscal 2009 actual amount.

The city is in a favorable position with regards to its OPEB liability. The city's most recent actuarial study indicated a $56 million total unfunded liability and a $4.9 million annually required contribution (ARC). The city made its full ARC payment in fiscal years 2008 and 2009.

CITY'S DEBT MANAGEMENT POLICIES PROVIDE SOUND MANAGEMENT OF MODERATE LEVERAGING; CITY'S TWO SWAPS SYNTHETICALLY FIX CERTAIN VARIABLE RATE BONDS

Moody's believes that the city's debt position remains manageable, and believes that the formally adopted policies for debt management and derivatives provide security for bondholders. Following the current issue, the city's net direct debt burden will be a modest 1.0% of full valuation.
Amortization of principal is favorable with 73.3% repaid in 10 years and 91% within 15 years. Approximately $63.8 million, or 23% of total tax-backed indebtedness, is effectively variable-rate (netting out obligations that have been swapped-to-fixed). This is in line with the city's target of maintaining approximately 20% variable rate debt. This ratio is expected to decline with a planned $40 million GO bond issuance this fall. While this creates a considerable exposure, Moody's believes this risk is mitigated the city's cash position; at the end of fiscal 2009, the city held $76.1 million in cash across the governmental funds, and has a practice of budgeting conservatively for variable rate debt service.

The city is party to two interest-rate swap agreements with Bank of America N.A. (Sr. Unsec. rated Aa3) that create synthetic fixed-rate obligations associated with the Series 1994B and Series 1998 General Obligation Bonds.
Under the swap associated with the Series 1994B bonds, the city pays BOA a fixed rate of 2.92% and receives 67% of LIBOR. The notional amount of the swap declines proportionally with the amortization schedule on the Series 1994B bonds through 2014. As of August 13th, the first swap had a fair value of $390,000 against the city. The second swap's notional amount declines in proportion to the amortization of the Series 1998 bonds, and the city pays a fixed rate of 3.46% to BOA while receiving 67% of LIBOR. The mark-to-market value on the second swap was $875,000 against the city, also as of August 13, 2010. Moody's believes that in the unlikely event of a forced termination on the two swaps, the city's ample liquidity would be sufficient to meet its requirements.

KEY STATISTICS

2008 Population: 250,642 (+11.9% since 2000)

2010 Full valuation: $23.3 billion

2010 Full value per capita: $93,153

Direct Debt burden: 1.0%

Payout of principal (including COPs): 68% in 10 years

Unemployment rate (May 2010): 9.8%

FY09 General Fund balance: $58.3 million (23.5% of General Fund revenues)

FY09 Undesignated, unreserved General Fund balance: $23.0 million (9.3% of General Fund revenues)

1999 per capita income as % of state: 113.2% (106.5% of the nation)

1999 median family income as % of state: 108.3% (100.3% of the nation)

Post sale GO debt outstanding: $171 million

The principal methodology used in rating the City of Greensboro (NC) was The Fundamentals of Credit Analysis for Lease-Backed Municipal Obligations rating methodology published in October 2004. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found on Moody's website.

The last rating action with respect to the city was on January 22, 2008 when the City Aaa municipal finance scale General Obligation rating was affirmed.
That rating was subsequently recalibrated to Aaa May 1, 2010.

REGULATORY DISCLOSURES

Information sources used to prepare the credit rating are the following:
parties involved in the ratings, parties not involved in the ratings, public information, and confidential and proprietary Moody's Investors Service's information.

Moody's Investors Service considers the quality of information available on the credit satisfactory for the purposes of assigning a credit rating.

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