

2025 Installment Financing Agreement For Schools

Public Hearing & Issuance Authorization

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Background for today's request

- **Proposed 2025 Schools Draw Program to fund Schools capital needs in FY2026 and FY2027**
- **Prior action taken at Board meeting held June 16, 2025**
 - Authorized Findings Resolution
 - Scheduled today's public hearing
 - Requested LGC approval of proposed 2025 Schools Draw Program
- **Today is final required Board action**
 - Conduct Public Hearing
 - Board authorization to issue 2025 Schools Draw Program



County's use of draw programs

History of draw programs

- **Utilized since 2016 for Schools and Wake Tech projects**
 - County's two largest capital programs
- **Draw Program Characteristics**
 - Intended to be initial and temporary funding source
 - Approximate 4-year life cycle
 - Can be structured as either GO or non-GO
 - GO draw program = planned take-outs with GO Bonds
 - non-GO draw program = planned take-outs with LOBs
 - 4 annual take-outs are planned
- **Proposed 2025 Schools Draw Program is non-GO**
 - First annual LOBs take-out planned for Spring 2026
 - Last annual LOBs take-out planned for Spring 2029

School bond pursued every 4-years

- **County considers Schools debt funding in 2-Year bond windows**
- **Each 2-Year bond window alternates GO/LOBs funded**
- **Last GO Bond for Schools authorized in Nov 2022**
 - \$530.7M funded by 2023 Schools Draw Program
 - 2-Year funding for FY2024 and FY2025 Schools debt appropriation
- **Proposed 2025 Schools Draw Program (LOBs funded)**
 - \$703.647M
 - 2-Year funding for FY2026 and FY2027 Schools debt appropriation
- **Next GO Bond for Schools anticipated in Nov 2026**
 - \$698.6M (est.) to be funded by 2027 Schools Draw Program
 - 2-Year funding for FY2028 and FY2029 Schools debt appropriation



Proposed School projects & County funding

School projects for FY2026 & FY2027

School CIP Projects	FY2026	FY2027	2-yr Total
New Construction	\$ 106,600,000	\$ 60,622,344	\$ 167,222,344
Major Renovation	\$ 150,475,913	\$ 189,748,675	\$ 340,224,588
Program Requirements	\$ 155,700,000	\$ 170,200,000	\$ 325,900,000
Total Schools Projects	\$ 412,775,913	\$ 420,571,019	\$ 833,346,932

County funding for FY2026 & FY2027

Funding Sources & Appropriation Timing		FY2026	FY2027	2-yr Total
County Funding Sources	Cash	\$ 57,500,000	\$ 72,200,000	\$ 129,700,000
	Debt	\$ 355,275,913	\$ 348,371,019	\$ 703,646,932 *
	Total County Funding	\$ 412,775,913	\$ 420,571,019	\$ 833,346,932
BOC Appropriation	Cash	June 2025	June 2026	
	Debt	August 2025	July 2026	

* funding provided by Proposed 2025 Schools Draw Program not to exceed \$703,647,000



Major projects

Brentwood Elementary School (major renovation)



North Garner Middle School (major renovation)



Morrisville High School (new construction)



Location of major projects

School	Construction Type	Location
Morrisville HS	New	Morrisville
Parkside MS	New	Morrisville
Poole Road ES	New	Raleigh
North Garner MS	Major Renovation	Garner
Lockhart ES	Major Renovation	Knightdale
Brentwood ES	Major Renovation	Raleigh
Athens Drive HS	Major Renovation	Raleigh
Briarcliff ES	Major Renovation	Cary
Cary HS	Major Renovation	Cary



2025 Schools Draw Program details

Collateral being pledged

School	Construction Type	Current Tax Value	Est. Project Cost
North Garner MS	Major Renovation	\$ 26,431,815	\$ 114,595,277
Lockhart ES	Major Renovation	\$ 14,695,421	\$ 81,006,610
Brentwood ES	Major Renovation	\$ 14,206,450	\$ 73,997,485
Athens Drive HS	Major Renovation	\$ 72,108,109	\$ 82,798,847
Briarcliff ES	Major Renovation	\$ 14,092,196	\$ 76,090,522
		\$ 141,533,991	\$ 428,488,741

Bank provider selected

- **Public RFP process**
- **5 bank responses**
- **Truist Bank low-cost bidder**
- **Truist Bank to be provider of 2025 Schools Draw Program**

Fiscal impact long anticipated

- **Proposed 2025 Schools Draw Program long anticipated in County's Debt and Capital Model**
- **FY2026 adopted budget includes associated funding for closing costs and FY2026 debt service**

Remaining steps

Today	BOC authorization to issue
Jul 15	BOE conveys five Schools to serve as collateral
Aug 5	LGC authorization to issue
Aug 12	Closing of 2025 Schools Draw Program
Aug 18	BOC appropriates associated debt funded projects

Takeaways

- Requested Board action is final of 2 required actions
- Proposed 2025 Schools Draw Program continues successful County strategy to use short term construction financing
- County elected not to pursue School Bond in Nov 2024 to fund Schools debt in FY2026 and FY2027
- Proposed 2025 Schools Draw Program is Non-GO (LOBs)
- Collateral is required to be pledged / 5 schools to be collateral
- Same 5 schools will be moved & support future LOBs take-outs
- LOBs take-outs planned annually Spring 2026 to Spring 2029
- Related Schools debt appropriations at Aug 18 BOC meeting



Board Questions



Public Hearing

Staff recommendation

- **Board of Commissioners is asked to adopt the attached authorizing resolution for issuance of Proposed 2025 Installment Financing Agreement for Schools not to exceed \$703,647,000.**



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