

**Item Title:** Wake County Public School System Capital Improvement Program Appropriations (Second Reading)

**Specific Action Requested:**

That the Board of Commissioners approve the following requests from the Board of Education for appropriations in the WCPSS capital programs:

1. Appropriate \$2,435,856 in *CIP 2013* for design for the Stough Elementary Renovation
  
2. Appropriate a total \$120,467,986 in the *Seven-Year Capital Improvement Program* for partial construction funding at Willow Spring High and Apex High; startup design for E-35 and H-15; design and construction funding for Space Needs Analysis and Prioritization (SNAP) projects; and annual allotments for property acquisition and security.

**Item Summary:**

**CIP 2013 APPROPRIATION**

The Board of Education is requesting that funds be reallocated and appropriated in CIP 2013 as follows:

CIP 2013 BUILDING PROGRAM						
Projects	Plan of Record/Budget			Appropriations		
	Current	Reallocation	Proposed	Current	Appropriation	Proposed
New School Projects						
Stough Elem (2018)*	3,735,856		3,735,856	1,300,000	2,435,856	3,735,856
<b>Total</b>	<b>3,735,856</b>	<b>-</b>	<b>3,735,856</b>	<b>1,300,000</b>	<b>2,435,856</b>	<b>3,735,856</b>

**Stough Elementary Renovation**

The resolution appropriates \$2,435,856 in design funding for the Stough Elementary renovation. This is the remainder of CIP 2013 funding for Stough. Construction funding for Stough is included in fiscal years 2019 and 2020 of the multi-year CIP, with student occupancy planned for August 2020.

**SEVEN-YEAR CIP APPROPRIATIONS**

The Board of Education is requesting that funds be appropriated in the Seven-Year Capital Improvement Program as follows:

<b>WCPS SEVEN-YEAR CAPITAL IMPROVEMENT PROGRAM</b>					
<b>NEW CONSTRUCTION AND RENOVATION PROJECTS</b>					
	<b>Total Project Budget</b>	<b>Appropriations to Date</b>	<b>Proposed Appropriation</b>	<b>Proposed Total</b>	<b>Balance to be Appropriated</b>
<b>New Schools</b>					
E-35 Elementary: Fuquay-Varina (2023)*	38,900,851	1,000,000	1,000,000	2,000,000	36,900,851
H-13 Willow Spring High: Fuquay-Varina (2019)*	97,620,402	47,538,662	50,081,740	97,620,402	-
H-15 High: Raleigh*	65,244,894	-	2,000,000	2,000,000	63,244,894
<b>Renovations</b>					
Apex High (2019)*	103,451,091	53,864,845	49,586,246	103,451,091	-
<b>New Construction and Renovation Subtotal</b>	<b>305,217,238</b>	<b>102,403,507</b>	<b>102,667,986</b>	<b>205,071,493</b>	<b>100,145,745</b>
<b>ONGOING PROGRAM SUPPORT</b>					
	<b>FY 2018 Plan</b>	<b>FY 2018 Appropriations To Date</b>	<b>Proposed Appropriation</b>	<b>Proposed Total</b>	<b>FY 18 Balance to be Appropriated</b>
Space Needs Analysis and Prioritization (SNAP)	6,000,000	-	3,700,000	3,700,000	2,300,000
Property Acquisitions	10,000,000	-	10,000,000	10,000,000	-
Security	4,100,000	-	4,100,000	4,100,000	-
<b>Ongoing Program Support Subtotal</b>	<b>20,100,000</b>	<b>-</b>	<b>17,800,000</b>	<b>17,800,000</b>	<b>2,300,000</b>
<b>Total</b>	<b>325,317,238</b>	<b>102,403,507</b>	<b>120,467,986</b>	<b>222,871,493</b>	<b>102,445,745</b>

\*Public infrastructure is included in the project budgets and appropriations

### Summary of Changes from First Reading

The total appropriation request for FY 2018-24 CIP funding was reduced by \$11,688,111 from \$132,156,097 to \$120,467,986. This reflects the following changes agreed to by both staffs between the first and second reading:

- Removal of \$9,388,111 Program Contingency request. The original request aligned with the funding schedule, but there are no projects requiring program contingency funding at this time.
- Reduction of Space Needs Analysis and Prioritization (SNAP) request by \$2,300,000 from \$6,000,000 to \$3,700,000. The FY 2018-24 plan allocated \$6.0 million for SNAP projects, with the total being appropriated as part of this request. The \$3.7 million will cover two projects requiring funding between now and the next scheduled appropriation in FY 2018. The remainder may be appropriated later in FY 2018.
- Inclusion of public infrastructure in individual construction and renovation project budgets in order to capture the full cost of the project in a single line item.

### Construction and Public Infrastructure

The item appropriates the remainder of construction and public infrastructure funding for Willow Spring High (H-13) and Apex High. Student occupancy for both schools is scheduled for August 2019.

### Startup Design

The item includes startup design funds for a new elementary school in Fuquay-Varina (E-35) and a new high school in Raleigh (H-15). Initial design funding for E-35 totaling \$1.0 million was included in CIP 2013 and appropriated in March 2017. This item includes an additional \$1.0 million and covers the remainder of design funding for the project. Construction of E-35 is scheduled to begin in early 2019. Full design funding for H-15 is included in the item. Construction funding for H-15 is planned for Fiscal Year 2020.

### Space Needs Analysis and Prioritization

A \$3.7 million appropriation is requested for Space Needs Analysis and Prioritization (SNAP) projects. This funds the following:

- The construction of \$2.5 million for the Infinity Program. Proposed project consists of the renovation of an existing 14,200 square foot office building for use as an alternative school serving long-term suspended high school students with special needs. Assumed scope includes complete interior gut (with the exception of plumbing infrastructure), exterior door and glazing replacement, patching at existing cladding/roof, and interior fit out.
- The balance of design funding for the Southwest Regional Transportation Maintenance and Parking Center; \$1.2 million of \$1.7 million. Project consists of a 32,000 square foot bus maintenance facility, 2,000 square foot office, and 25 acres of site development. A fuel and wash station is shown as future construction.

These projects are anticipated to have the following impacts on the operating budget:

<b>SNAP Project</b>	<b>Facility Costs (Maintenance, Custodial, Grounds, &amp; utilities)</b>	<b>Personnel &amp; Administration (Staff &amp; Supplies)</b>	<b>Total Locally Funded Operational Costs</b>
SW Regional Transportation & MO Center / Middle Creek	\$165,000	\$0	<b>\$165,000</b>
Infinity / Adaptive Reuse @ Carl Sandburg Court	\$53,000	\$405,000	<b>\$458,000</b>

The County is responsible for utilities, maintenance, grounds and custodial services for additional square footage and acreage for all school buildings. Other operating impacts will be considered as part of the annual budget process.

### Ongoing Program Support

Ten million is included for land acquisition for future school sites and \$4.1 million is included for school security measures. Security items include enterprise IP camera system at 112 schools, a uniform enterprise card access system at 30 schools and an entrance buzzer system for elementary schools which includes closed circuit camera, intercom and integrated door locks.

## **Staff Comments**

The requested appropriations align with the seven year plan and are in accordance with the funding schedule. Both staffs discussed considerations to be made to respond to the reduction of debt and capital in the capital program. As a result, future appropriations will vary from the funding schedule originally developed in conjunction with the FY 2018-24 Capital Improvement Program.

### *History of Seven-Year Capital Improvement Program*

Beginning with the FY 2017-2023 CIP, the Board of Education and the Board of Commissioners approved a shift in the planning approach for the school system's capital needs by adopting a seven-year, rolling capital improvement program to be updated annually based the most recent data for enrollment, crowding, market trends and other factors impacting the system's capital needs. This seven year plan mirrors the approach taken with the County's larger Capital Improvement Program. Prior to this change, school capital projects were funded primarily through large multi-year capital programs that were approved at once and financed primarily with general obligation bonds approved through a single, large bond referendum.

### *History of CIP 2013*

On October 8, 2013, Wake County citizens approved the authorization of \$810 million of general obligation bonds for the Wake County Public School System 2013 Capital Improvement Program. On October 21, 2013, the Board adopted the resolution declaring the results of the October 8, 2013 bond referendum. These bonds, plus cash appropriations, fund the WCPSS CIP 2013 Building Program. On November 18, 2013, the Board of Commissioners was asked to approve the original CIP 2013 Plan of Record, which consisted of \$43,800,000 from existing County funding, and \$939,954,793 in future funding for a total program amount of \$983,754,793. On June 16, 2014 the Board approved a Plan of Record increase in the amount of \$6,799,974 as a result of proceeds of the sale of the 3600 Wake Forest Road Site. On July 6, 2015 the Board approved a \$775,000 increase to the Plan of Record to reflect a reallocation of \$775,000 in CIP 2006 savings to CIP 2013. The Board approved a \$2.6 million increase to the Plan of Record on October 19, 2015 as part of another reallocation of savings from CIP 2006 to CIP 2013. On February 15, 2016 the Board increased the Plan of Record by \$4,454,720 to reflect proceeds from the sale of the original H-6 site (CIP 2006). On March 6, 2017 the Board approved the reallocation of \$3,073,534 in CIP 2006 Savings to CIP 2013, bringing the current Plan of Record total to \$1,001,458,021. The Capital Improvement Program contemplates commitments through fiscal year 2017. It provides for construction of fifteen new schools: ten new elementary schools, three middle schools and two high schools. Additionally, the plan includes funds for five major renovations, start-up construction costs at five other schools, life cycle equipment replacement, educational equipment replacement, technology and security, land acquisition and start-up design for new schools, facilities assessments and program management and contingency. To date, \$ 994.8 million has been appropriated; eight new schools and one major renovation have been completed. Currently, seven new schools and four major renovations are in the construction phase.

CIP 2013 originally included funds for eleven new elementary schools, three new middle schools, two new high schools, six major renovations and startup renovation costs for three schools. On July 6, 2015 the Board of Commissioners approved the Board of Education's request for several changes to the program. Two projects were deferred to the next building program. The construction of a new elementary school in Holly Springs (E-46) was deferred due to site identification difficulties, and a major renovation at Vandora Springs Elementary was deferred due to swing space timing needs.

**Attachments:**

1. Presentation
2. Resolution
3. CIP 2013 Appropriation Summary as of August 7, 2017
4. Seven-Year Capital Improvement Plan Appropriation Summary as of August 7, 2017
5. Board of Education Resolution
6. SNAP Project Schedule