

**Item Title:** Proposed 2025 General Obligation Bond Anticipation Note for Wake Tech not to exceed \$172,975,000

**Specific Action Requested:**

**That the Board of Commissioners adopts an authorizing resolution providing for the issuance of Series 2025 General Obligation Community College Bond Anticipation Note in an amount not to exceed \$172,975,000.**

**Item Summary:**

**Purpose:** State statutes (NC G.S. 159-161; 159-162) require Board approval of General Obligation debt.

**Background:** This Board action is the only required Board action for issuance of the Proposed 2025 General Obligation Bond Anticipation Note for Wake Tech not to exceed \$172,975,000 (“2025 Wake Tech Draw Program”) which will provide short-term construction period financing through a Bank for certain Wake Tech projects. The 2025 Wake Tech Draw Program will be the initial temporary debt funding source for certain Wake Tech projects to be appropriated in FY2026 and FY2027.

**Board Goal:** The proposed action complements Wake County’s Strategic Plan, Lifelong Learning Goal 4: *By 2029, three out of four residents asked will share that Wake County has high-quality education-based facilities, including schools, libraries, and other educational resources.*

**Fiscal Impact:** The proposed 2025 Wake Tech Draw Program has been anticipated in the County’s Debt and Capital Model and the associated closing costs and future debt service have been incorporated into the County’s proposed FY2026 Budget.

**Additional Information:**

Since 2016, as need arose for County to issue debt to provide for Schools and Wake Tech major capital needs (the two largest and most robust capital programs supported by County), the County has utilized a temporary short-term Bond Anticipation Note (BAN) strategy whereby a bank-issued BAN, or loan, is secured in the short-term to allow the County to make draws under the BAN to initially reimburse for capital project expense incurred during the 4 to 5 year lifecycle of the BAN. Then, from time to time at appropriate intervals during the lifecycle of the BAN, the County will convert to permanent debt the accumulated draw balance under the BAN by issuing permanent bonds (“take-out”), whether by issuing General Obligation (“GO”) bonds or Limited Obligation Bonds (“LOBs”). A bond take-out typically occurs 3 or 4 times during the lifecycle of each BAN.

Now is the appropriate time for the County to issue the 2025 Wake Tech Draw Program to be the initial temporary debt source to fund certain Wake Tech capital projects to be appropriated in FY2026 and FY2027.

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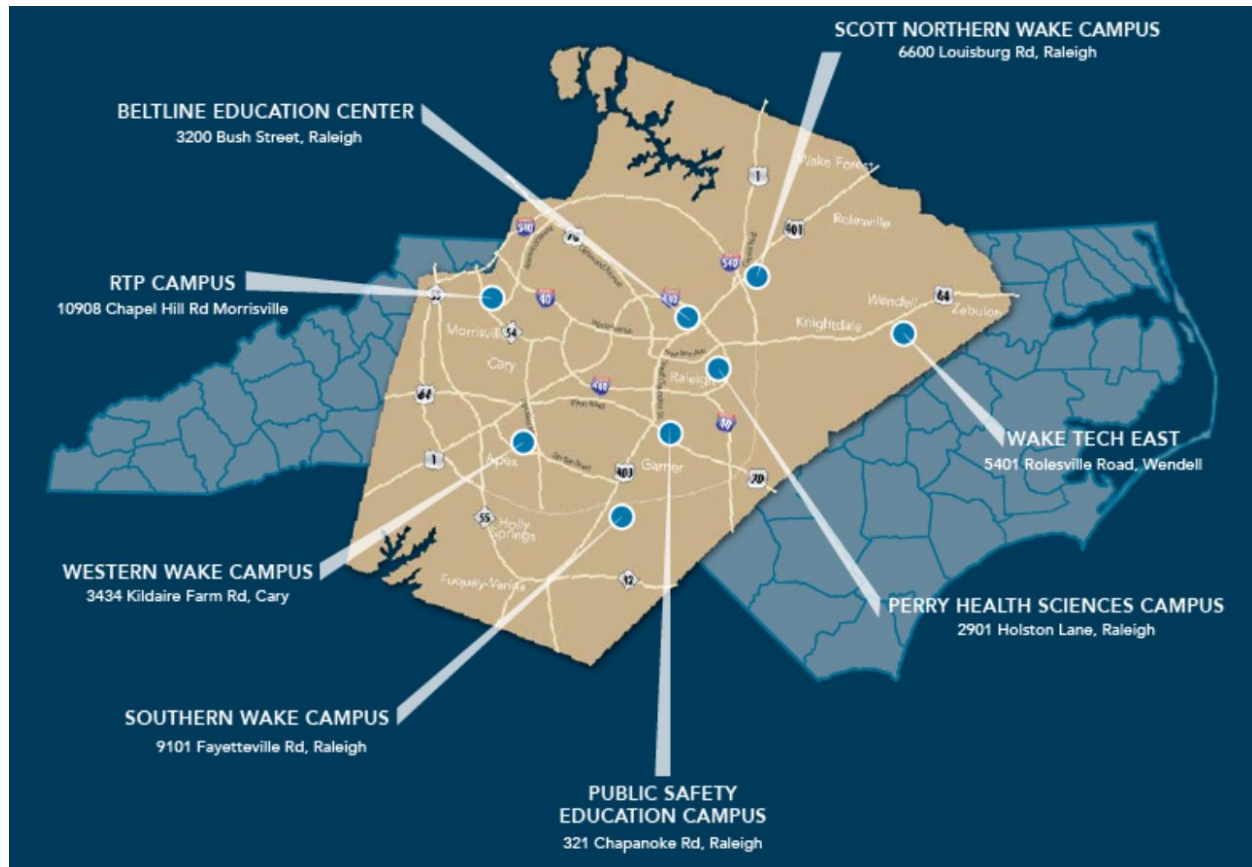
## Wake Tech CIP Projects for FY2026 and FY2027

Wake Tech CIP Projects		Campus	FY2026	FY2027	2-yr Total
<b>Minor Capital</b>					
IT Infrastructure Projects	All	\$	2,415,000	\$ 2,415,000	\$ 4,830,000
Minor Capital	All	\$	1,000,000	\$ 1,250,000	\$ 2,250,000
Facility Alterations	All	\$	1,000,000	\$ 1,250,000	\$ 2,250,000
			<b>\$ 4,415,000</b>	<b>\$ 4,915,000</b>	<b>\$ 9,330,000</b>
<b>Replacement &amp; Renovation</b>					
Mech Equip Replacement	All	\$	1,300,000	\$ 1,400,000	\$ 2,700,000
Building Automation Controls Upgrades	All	\$	300,000	\$ 300,000	\$ 600,000
Elevator Modernization	All	\$	200,000	\$ 200,000	\$ 400,000
Building Envelope Upgrades	All	\$	750,000	\$ 750,000	\$ 1,500,000
Electrical Replacement	All	\$	750,000	\$ 750,000	\$ 1,500,000
Life Safety Equipment Replacement	All	\$	150,000	\$ 150,000	\$ 300,000
			<b>\$ 3,450,000</b>	<b>\$ 3,550,000</b>	<b>\$ 7,000,000</b>
<b>Infrastructure</b>					
Card Readers	All	\$	85,000	\$ 90,000	\$ 175,000
Signage Upgrades	All	\$	250,000	\$ -	\$ 250,000
Site Accessibility Upgrades	All	\$	75,000	\$ 75,000	\$ 150,000
Southern Loop Road and Paving	All	\$	250,000	\$ 250,000	\$ 500,000
			<b>\$ 660,000</b>	<b>\$ 415,000</b>	<b>\$ 1,075,000</b>
<b>Strategic Expansion</b>					
Public Safety Simulation Complex	EWC	\$	3,000,000	\$ 3,000,000	\$ 6,000,000
Technology 4.0 Building	EWC	\$	3,000,000	\$ 3,000,000	\$ 6,000,000
New Health Sciences Building/Parking Deck	PHSC	\$	3,000,000	\$ 3,000,000	\$ 6,000,000
Relocate Existing Western Wake Campus	WWC	\$	45,500,000	\$ 17,500,000	\$ 63,000,000
Biotech/Science Lab Reno/Parking Addition	RTPC	\$	13,000,000	\$ 16,900,000	\$ 29,900,000
Southern Campus Renovations	SWC	\$	15,000,000	\$ 39,000,000	\$ 54,000,000
			<b>\$ 82,500,000</b>	<b>\$ 82,400,000</b>	<b>\$ 164,900,000</b>
<b>Total Wake Tech Projects</b>			<b>\$ 91,025,000</b>	<b>\$ 91,280,000</b>	<b>\$ 182,305,000</b>
<i>*does not necessarily represent total project cost of respective projects</i>					

## County Funding & Timing

Funding Sources & Appropriation Timing		FY2026	FY2027	2-yr Total
<b>County Funding Sources</b>	Cash	\$ 4,415,000	\$ 4,915,000	\$ 9,330,000
	Debt *	\$ 86,610,000	\$ 86,365,000	\$ 172,975,000
<b>Total County Funding</b>		<b>\$ 91,025,000</b>	<b>\$ 91,280,000</b>	<b>\$ 182,305,000</b>
<b>BOC Appropriation</b>	Cash	June 2025	June 2026	
	Debt	August 2025	July 2026	
<i>*funded by \$353,200,000 Wake Tech Bond authorized Nov 2022</i>				

## Wake Tech Campus Locations



## 2022 Wake Tech GO Bond Referendum

In November 2022, County voters authorized a 4-year Wake Tech GO bond for \$353,200,000 (“2022 Wake Tech referendum”). The 2023B Wake Tech Draw Program was previously issued under the 2022 Wake Tech referendum to provide \$180,225,000 of debt funding for certain Wake Tech capital projects which were appropriated in FY2024 and FY2025 (2-years of funding).

The proposed 2025 Wake Tech Draw Program will issue the balance of authorization remaining under the 2022 Wake Tech referendum to provide \$172,975,000 of debt funding for certain Wake Tech capital projects to be appropriated in FY2026 and FY2027 (2-years of funding).

## Future Planned GO Take-Out Financings

Future GO take-out financings, which will convert to permanent debt the future drawn amount under the 2025 Wake Tech Draw Program, are currently anticipated to occur four times for the 2025 Wake Tech Draw Program – that being annually each Spring beginning in Spring 2026 and concluding in Spring 2029.

## **Bank Provider Selected**

In collaboration with its Financial Advisor, a few weeks ago the County conducted a public RFP process in which banks had the opportunity to submit a proposal to be provider of the 2025 Wake Tech Draw Program. After in depth analysis of all proposals and the multiple terms, features, options, and costs presented therein, the County awarded the 2025 Wake Tech Draw Program to Truist Bank, submitter of the lowest-cost proposal.

## **Remaining Steps and Proposed Board Action**

The proposed Board action is the only required Board action for issuance of the Proposed 2025 Wake Tech Draw Program. The Local Government Commission will consider authorization of the 2025 Wake Tech Draw Program at their August 5, 2025 regular meeting and the closing of the 2025 Wake Tech Draw Program is planned for August 12, 2025. The Board is scheduled to consider the FY2026 debt appropriation of Wake Tech capital projects (to be funded by Proposed 2025 Wake Tech Draw Program) at its August 18, 2025 Board meeting.

At this time, the Board of Commissioners is asked to adopt an authorizing resolution providing for the issuance of Series 2025 General Obligation Community College Bond Anticipation Note in an amount not to exceed \$172,975,000.

## **Attachments:**

1. Draft Authorizing Resolution prepared by County's Bond Counsel