

# Capital Improvement Program FY2026 – FY2032

## Special Work Session for Board of Commissioners

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April 7, 2025



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# Agenda

- **Capital Overview**
- **Capital Economic Outlook**
- **County Capital**
- **Other Capital Funds**
- **Education Capital Funds**

A stylized, light blue map of Wake County is centered in the background of the slide. The map shows the county's irregular shape with various indentations and protrusions.

# Capital Overview

# **Capital Improvement Programs (CIP) plan for the County's capital asset needs**

- **Capital programs fund capital investments**
- **Establish a long-term (7-year) funding plan and identify future financing needs**
- **Include high cost/complex projects that require planning and a multi-year schedule**
- **Consider changing conditions and new needs**
- **Support responsible stewardship of existing facilities**

# Capital planning framework considers multiple factors

## Funding

Wake fully funds CIP plans

For a project to be included in the CIP, it requires an identified, planned revenue source(s)

## Cost and Timing

Projects are typically more than \$100,000 and require more than 1 year to complete

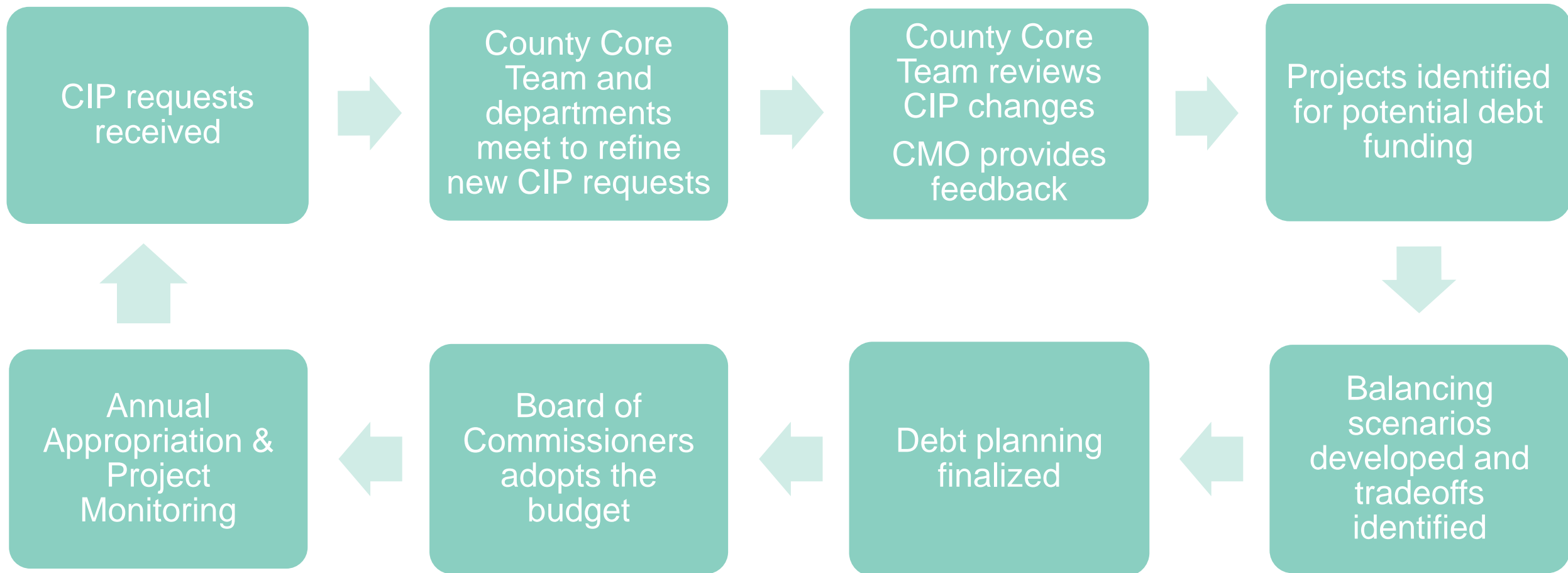
## Long Term Planning

Projects are often a result of master planning processes and facility condition assessments to ensure facilities meet service needs

## Capacity Constraints

Cost escalations, internal capacity, market availability, and ongoing operating and maintenance costs considered for each project

# County Capital Process Cycle



# Capital Improvement Plan Timelines

## FY26 Funded Projects

**Projects will be appropriated as part of the budget:**

- Typically adopted by BOC in Capital Projects Ordinance

## FY27 to FY32 Planned

**Projects are planned and included in CIP:**

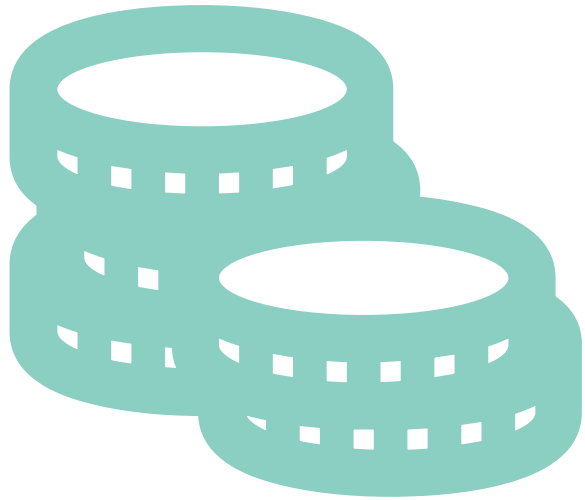
- Revenues are assigned to projects
- Updated annually – scope and costs may change, or ultimately may not be funded

## Horizon

**Projects are not included in CIP:**

- Project timing, priority, business case, or funding source are still being determined

# Debt and Capital programs funded by dedicated revenue sources



- **30% of Article 40 and 60% of Article 42 sales tax dedicated to WCPSS debt**
- **15 cents of property tax rate dedicated to debt and capital**
  - 0.25-cent increase starting in FY26 associated with Library bonds approved by voters in November 2024 (14.75 + 0.25 cent = 15)
  - Roughly 80% is dedicated to paying off existing debt
  - Remaining 20% is allocated to “pay-go” cash for County Capital, Wake County Public Schools, and Wake Tech
- **Municipal reimbursements (for shared projects)**
- **Sale of fixed assets and land**



# County responsible for multiple capital programs across multiple funds

## County Capital Program

Automation  
Community Capital  
County Buildings  
Criminal Justice  
Economic Development  
Libraries  
Public Safety  
PROS

## Other Programs

Fire Tax District  
Housing  
Major Facilities  
Solid Waste

## Education Programs

Wake Tech  
WCPSS



# Capital Economic Outlook

**National and local construction trends  
impacting capital project estimates**

# Construction trends and new market factors affecting capital costs

- **High growth in our area results in sustained strong labor demand**
- **Project cost escalations can result from material prices and/or labor costs**
  - Following COVID-19 disruptions, labor and materials prices began to stabilize at new higher levels
  - Anticipate entering a period of uncertainty around materials costs with the implementation of tariffs

# **Construction sector continues to experience high workforce demand**

- **National unemployment remained at 4% , while construction unemployment rose to 6.5% in January 2025**
- **NC had 275,000 construction workers in January 2025**
- **Pace of development in our region is increasing demand for skilled mechanical, electrical, and plumbing labor**

# **Mechanical & electrical equipment prices forecasted to increase**

- **Local inflation may exceed the national trend at 4-6%**
- **Demand for HVAC equipment, electrical gear, & generators continues to be strong and prices expected to increase**
- **Lead times anticipated to increase for generators (as high as 2-3 years)**

# Changes to US tariff policy expected to impact capital projects

- **Materials can represent approximately half of project costs**
- **Tariffs expected to impact drywall, aluminum, and steel prices**
- **Increased demand for US-sourced materials will still increase prices**
- **Materials not easily sourced in the US will be affected by tariffs**



# County Capital Fund

**FY2026 – FY2032 County Capital requests,  
funding sources, and next steps**

# County Capital includes a wide variety of projects and funding types

- **County capital projects range from**
  - Major renovations and new buildings
  - Maintenance of existing facility roofs, mechanical equipment, etc.
  - Computer/digital infrastructure replacement cycles and purchase of software
- **County capital projects are funded through:**
  - Limited Obligation Bonds & dedicated Paygo (cash) – for large construction or renovation projects
  - General Obligation Bonds – referenda-specified purposes
  - Partnership reimbursements – tied to specific projects
  - Paygo (cash) calculated in the debt model – used for shorter term projects such as technology, equipment, life cycle replacements not eligible for debt funding



# County responsible for multiple capital programs across multiple funds

## County Capital Program

Automation  
Community Capital  
County Buildings  
Criminal Justice  
Economic Development  
Libraries  
Public Safety  
PGROS

## Other Programs

Fire Tax District  
Housing  
Major Facilities  
Solid Waste

## Education Programs

Wake Tech  
WCPSS

# County CIP Elements focus on maintaining and enhancing service delivery

## **Automation**

Computer equipment, software, and IT infrastructure to support County's 4,000+ employees and modernize how customers interact with the County

## **Libraries**

Project plan for new libraries and library renovations supported by a 2024 bond referendum

## **County Buildings**

Construction of new facilities and maintenance of 5 million square feet of existing facilities that allow for effective service delivery

## **PGROS**

Project plan for parks, greenways, recreation and open space supported by 2018 bond referendum and master plans

## **Criminal Justice**

County support for the Sheriff's office, courthouse facilities, and the Detention Center Expansion

## **Public Safety**

Equipment and facilities to support Fire & EMS including the EMS facilities master plan

# Debt funding supports nearly half of County Capital projects

Sources	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Total
County Limited Obligation Bonds	14.5	253.5	63.8	12.4	15.7	-	-	<b>359.9</b>
Libraries 2024 General Obligation Bond	11.4	43.0	18.7	16.2	18.3	19.5	14.9	<b>142.0</b>
Transfer from General Fund	135.2	91.4	84.8	82.6	90.7	83.8	100.4	<b>668.9</b>
Reimbursements	0.5	1.3	0.5	0.5	0.5	0.5	0.5	<b>4.3</b>
<b>Total Sources (in millions)</b>	<b>161.6</b>	<b>389.2</b>	<b>167.8</b>	<b>111.7</b>	<b>125.2</b>	<b>103.8</b>	<b>115.8</b>	<b>1,175.1</b>

- **Debt funding can support large-scale projects for County-owned facilities**
- **Cash supports the rest of the capital program (automation projects, leased facilities, maintenance of existing facilities)**

# **New facilities and significant renovations may be identified in a few ways**

- **State-mandated services or facilities**
- **Changes to service demand**
- **Master planning processes help to plan changes to services across facilities that impact the service**
- **Facilities condition assessments**

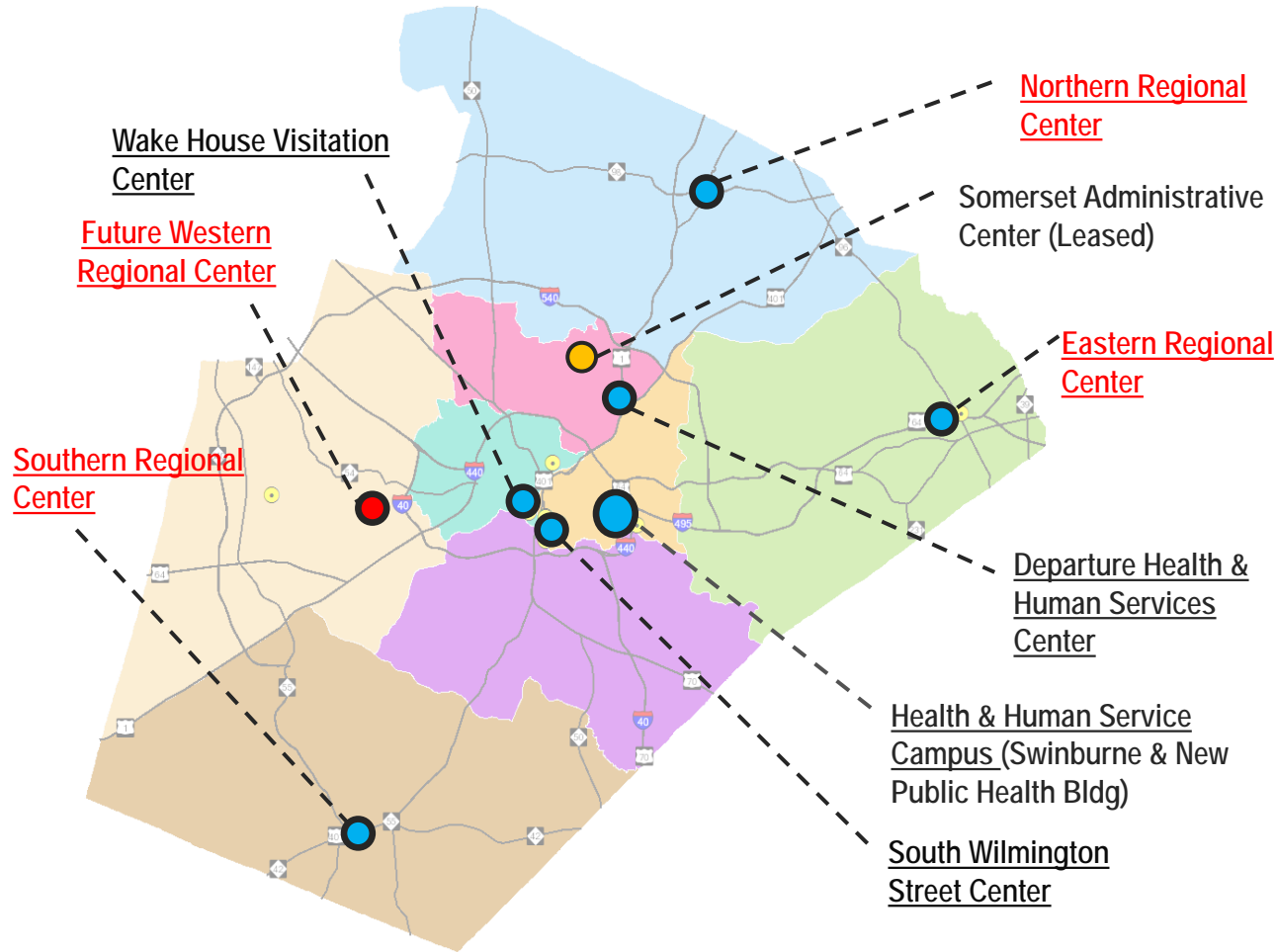
# Major facilities projects planned to respond to service demand

- **Animal Center replacement (\$57M)**
  - Relocate existing facility to meet increased space and service needs
- **Jail Annex & expansion (\$15M, \$152M)**
  - Population projections anticipate a need for an expanded detention center; detention Annex is being renovated as a bridge to long-term solution
- **New medical examiner facility (\$51.9M)**
  - State-required body storage and autopsy/examination space for State Medical Examiner
- **GSA/County Administrative facility replacement (\$91.6M)**
  - Relocate General Services facility out of downtown Raleigh

# **2024 Library Bond approved and ready to begin projects**

- **Voters approved a \$142M General Obligation bond for Library renovation, expansion, and construction in November 2024**
- **Project list & timeline confirmed during March 10, 2025 Board Work Session**
- **FY26 Budget - levy 0.25¢ tax increase to support bond approval**
- **Projects slated to begin in FY 2026**

# Health and Human Services Facilities Master Plan supports public health and social service delivery



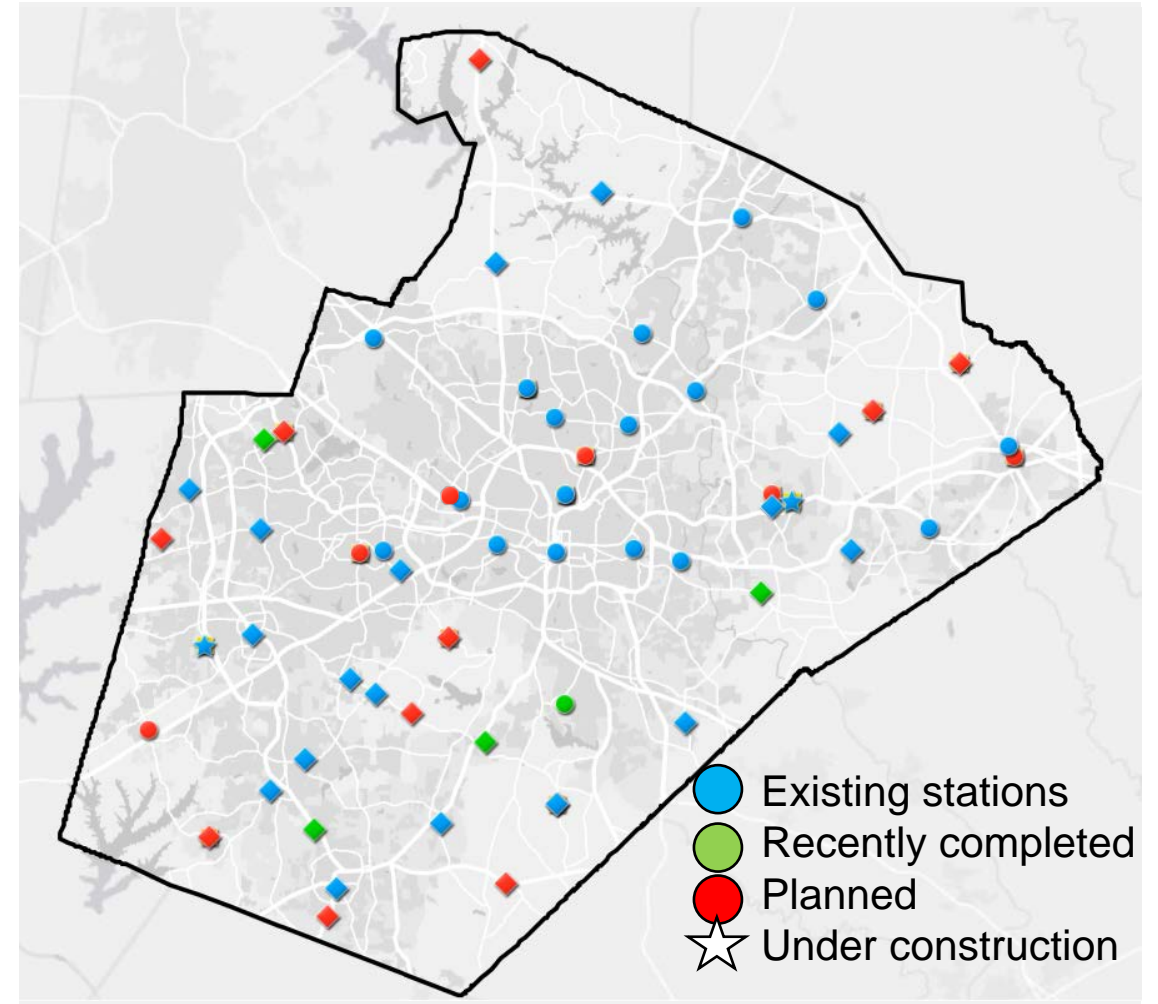
## Service Delivery Vision

- Treat the whole client by grouping services together
- Support customer service and future changes with appropriate facility design
- Improve accessibility and ensure sites are near population being served
- Utilize partnerships to strengthen service offerings
- Provide safe and secure environment

**Current plan calls for investing an additional \$41.6 million over next seven years**

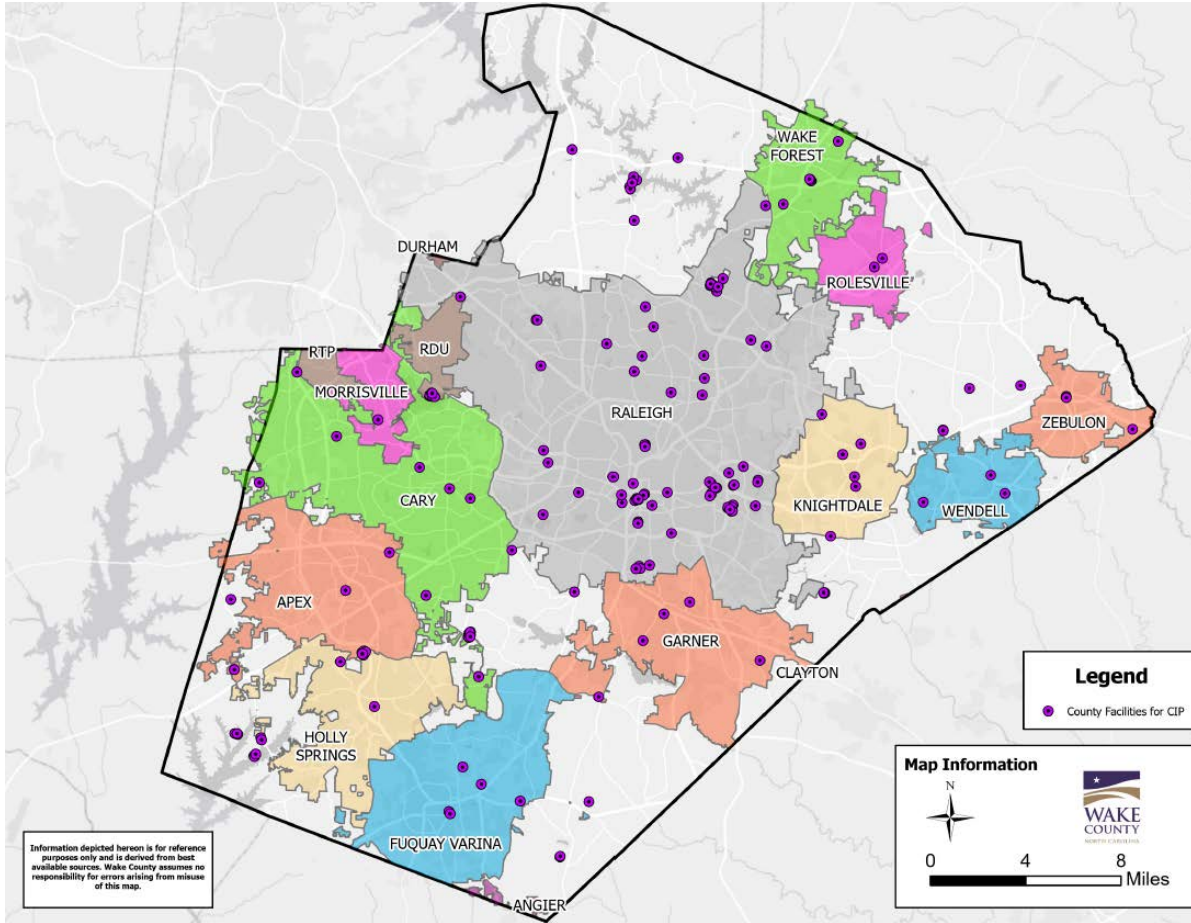
# EMS Master Plan supports increasing call volume and improves geographic coverage

- Project plan consists of:
  - EMS co-locations with Fire Houses
  - EMS substation
  - EMS district stations
- Current plan invests \$68.8 million over seven years



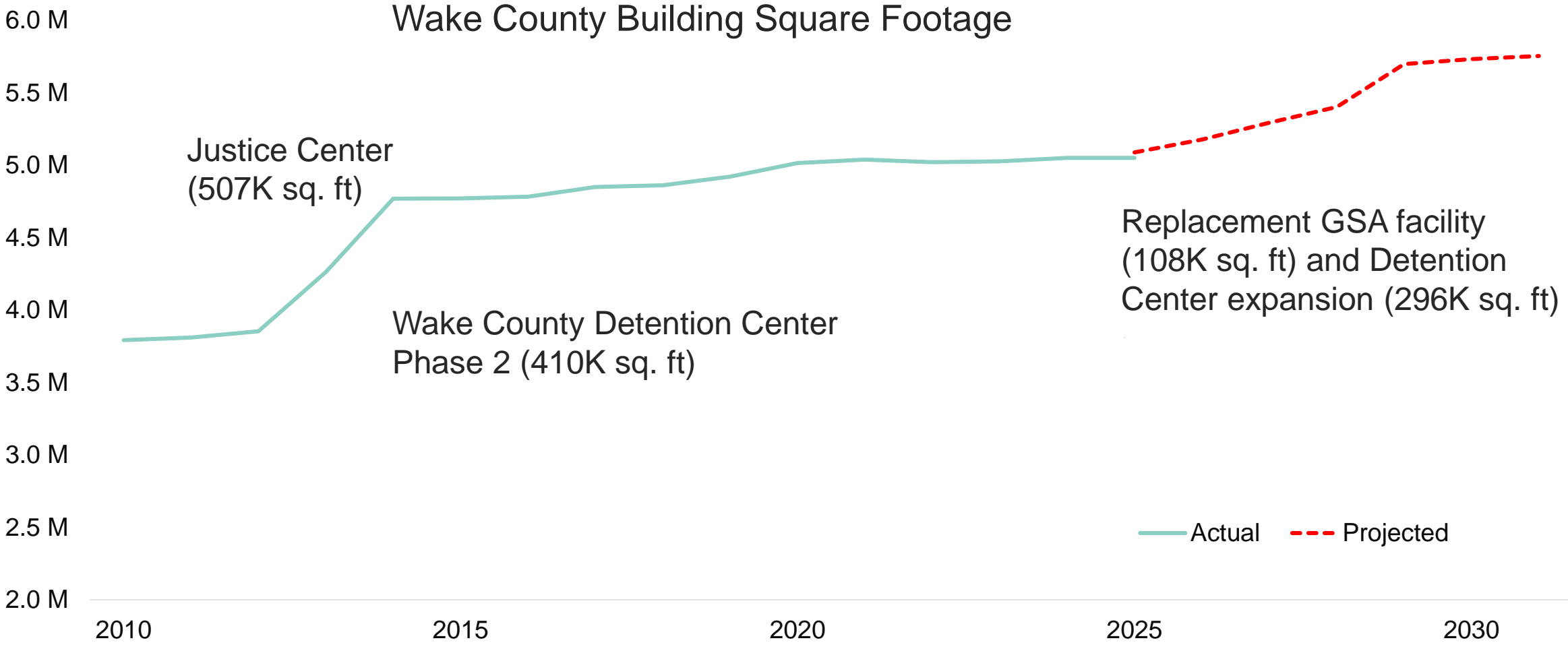


# Current county facilities require operating support and capital maintenance



- County responsible for maintaining 191 buildings spread throughout the County
- Building purposes and uses vary widely, including detention facilities, EMS stations, office space, libraries, parks, animal center, clinical spaces, etc.

# As new buildings are added to the portfolio, operating impacts and capital maintenance costs grow



# Capital expenditures result in short- and long-term operational implications

- **Capital projects have immediate operating budget impacts**
  - New technologies often require annual subscriptions or licenses
  - Opening a new facility may require additional program staff
- **Capital projects also impact long-term operational planning**
  - Adding new construction projects requires staff to design and manage them
  - Planning for an appropriate level of facilities staffing to maintain County spaces

# **Routine maintenance needs are reviewed annually and projected in the 7-year plan**

- **Capital maintenance planning relies on a variety of data sources:**
  - Maintenance projects tracked against age of asset, date of last renovation, and industry standard life cycle
  - Work orders and facility condition assessments used to identify additional areas needing attention
- **Goal is for all building systems to function for their full life cycles and function at peak efficiency**

# Maintenance, facility repair, and some renovation projects funded with County cash

## Ongoing maintenance and repair of facilities - \$227.3 million

- Facility security improvements
- Roofing and paving replacements
- Energy conservation measures
- Mechanical, electrical, and plumbing
- Minor building projects
- Stormwater control responsibilities

## Existing facilities renovations and facility condition upgrades - \$113.2 million

- Wake County Office Building renovations
- Facility condition upgrades to existing and older buildings such as Wake House, Courthouse, South Wilmington Street Center

# New requested capital projects total \$48.9M

- Software system replacements and upgrades to improve functionality
  - I.e., IT security infrastructure upgrades, Public Health billing software, parking system upgrades
- Radio network upgrades for public safety responders
- Replacement EMS station at District Drive
- New office and storage space for Open Space staff
- County building improvements, renovations, and expansions:
  - Roof renovations at the Fire Training Center
  - Refit space to provide room for large-scale staff trainings
  - Security cameras at remote County sites
  - Justice Center courtroom refurbishments
- WCSO new equipment & replacements

# Requested County Capital plan costs \$1.2 billion across seven years

Element	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Total
Automation	25.3	22.4	19.5	16.1	6.9	11.5	9.1	<b>110.9</b>
County Buildings	97.6	147.2	93.3	40.1	62.9	45.7	60.1	<b>546.9</b>
Criminal Justice	26.9	154.4	19.9	7.5	9.3	11.1	18.5	<b>247.6</b>
Libraries	11.4	43	18.7	16.2	18.3	19.5	14.9	<b>142</b>
PGROS	3.1	1.6	1.6	1.5	1.5	1.6	1.5	<b>12.4</b>
Public Safety	16.8	22.7	16.2	15.6	21.7	6.9	10.7	<b>110.6</b>
Economic Development	0.7	0.7	0.7	0.7	0.7	0.7	0.7	<b>4.9</b>
<b>Total Uses (in millions)</b>	<b>181.8</b>	<b>392.0</b>	<b>169.9</b>	<b>97.7</b>	<b>121.3</b>	<b>97.0</b>	<b>115.5</b>	<b>1,175.3</b>

- **Cost escalations, scope refinements, and maintenance increases for current infrastructure total \$129.6 million**
- **New project requests total \$48.9 million**

# Next Steps

- **Staff will continue to evaluate the business cases and timing of submitted capital requests**
- **Finalize revenue available for capital projects**
  - Update revenue projections
  - Finalize debt and capital model
- **County Manager's FY 2026 Recommended Budget will include balanced Capital Improvement Programs**





# Other Capital Funds

**Fire Tax**  
**Housing**  
**Major Facilities**  
**Solid Waste**

# County responsible for multiple capital programs across multiple funds

## County Capital Program

Automation  
Community Capital  
County Buildings  
Criminal Justice  
Economic Development  
Libraries  
Public Safety  
PROS

## Other Programs

Fire Tax District  
Housing  
Major Facilities  
Solid Waste

## Education Programs

Wake Tech  
WCPSS

# Other capital funds reflect dedicated revenue sources and purposes

Capital Fund	Revenue Source	Governance
Fire Tax District	Special property tax levied on the unincorporated areas of Wake County and the Town of Wendell	Multi-year modeling to ensure availability of appropriate equipment, apparatus, and facilities for fire protection services
Housing	Dedicated transfer of revenue from the General Fund to support housing initiatives	Established in FY19 as part of County commitment to housing investment. Goal to make homelessness rare, brief, and non-recurring by increasing affordable housing stock and responding to shelter needs
Major Facilities	Allocation from occupancy and prepared food & beverage tax revenue	Governed by Inter-Local Agreement with City of Raleigh
Solid Waste	Solid Waste fees and landfill gas revenue	Multi-year modeling to ensure long term functionality of landfill, transfer station, and convenience centers

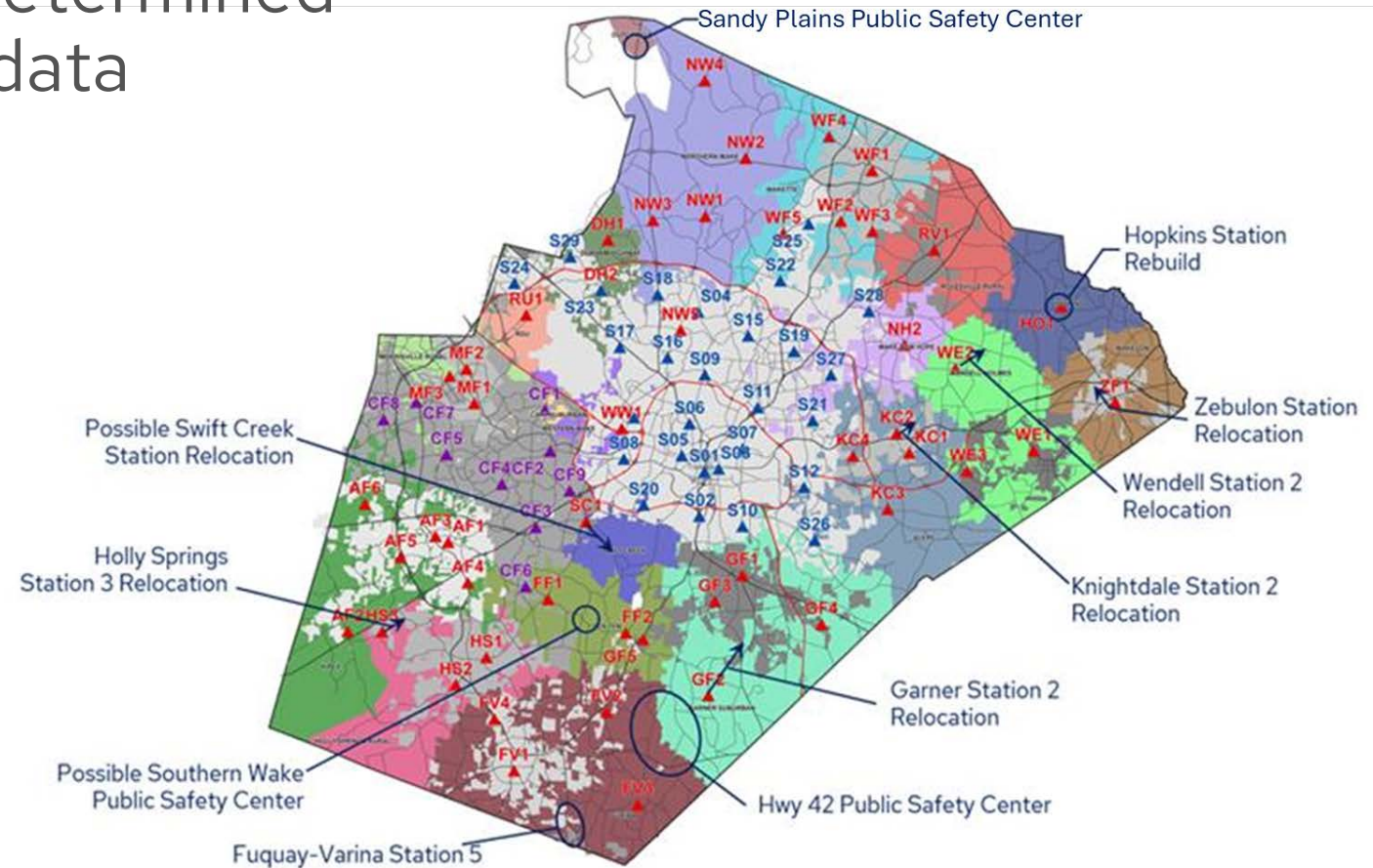
# Fire Tax District Capital Projects

Project	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Total
Apparatus	11.4	1.5	6.1	3.8	5.2	5.6	6.6	<b>40.1</b>
Equipment	1.8	1.6	1.8	2.9	3.2	3.1	3.4	<b>17.8</b>
Facilities	6.7	8.3	5.3	3.3	2.3	2.3	2.3	<b>30.2</b>
<b>Total (in millions)</b>	<b>19.9</b>	<b>11.3</b>	<b>13.1</b>	<b>10.0</b>	<b>10.7</b>	<b>10.9</b>	<b>12.2</b>	<b>88.1</b>

- Includes funding for the apparatus, equipment, and facilities of municipal and non-profit fire departments providing fire protection to unincorporated areas of the County and the Town of Wendell
- Staff meet with fire departments during budget development to determine timing for fire apparatus and equipment needed through the capital plan
- Costs for municipal departments are shared with municipalities using a funding methodology outlined in Fire Protection Agreements between the County and municipalities

# Fire Tax District planned facilities meet needs of growing community

- New fire facility locations determined by analyzing fire response data
- Recommendations presented to the Fire Commission through the Fire Tax District Long-Range Plan
- Fire Commission will review and approve proposed Fire Tax budget on April 10



# Housing capital projects help develop affordable units and support those at risk of or experiencing homelessness

	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Total
Rental and Homeownership Development	10.8	10.8	10.8	10.8	10.8	10.8	10.8	<b>75.6</b>
Preservation Support	3.5	3.5	3.5	3.5	3.5	3.5	3.5	<b>24.5</b>
Major Home Repair	1.4	1.4	1.4	1.4	1.4	1.4	1.4	<b>9.8</b>
Acquisition Support	5.0	-	-	-	-	-	-	<b>5.0</b>
Second St Renovation (FY26 req)	4.7	-	-	-	-	-	-	<b>4.7</b>
<b>Total (in millions)</b>	<b>25.4</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>119.6</b>

- Leverage gap funding to develop or preserve affordable rental or homeownership housing
- Gap financing for projects originally preserved through the Wake County Preservation Fund
- Major home repair assistance for eligible low-income households
- One-time use of Housing CIP Reserves to launch an acquisition fund

# Major Facilities capital program continues investment in Five County Stadium, Marbles, and competitive projects

Project	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Total
Five County Stadium	1.1	-	0.9	0.4	-	1.1	-	3.5
Marbles/IMAX	0.1	1.5	-	-	1.7	-	-	3.3
Competitive Projects	5.5	4.8	2.0	2.0	2.0	2.0	2.0	20.3
Reserved for Future Projects	0.6	(0.5)	0.1	0.6	(0.7)	(0.1)	1.0	1.0
<b>Total (in millions)</b>	<b>7.3</b>	<b>5.8</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>28.1</b>

- Inter-Local Agreement (ILA) allocates \$1 million per year which the County uses to maintain Five County Stadium and Marbles Museum
  - Needs exceed \$1 million allocation – some replacements are now funded with County cash
- ILA allocates \$2 million per year for competitive projects process
  - 23<sup>rd</sup> ILA was adopted in fall 2023 – included additional funding for competitive projects in FY25-27
  - Next competitive process expected fall 2025

# Solid Waste capital program addresses landfill needs and begins planning for the next waste solution

Project	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Total
Landfill Gas Development	1.0	1.2	0.6	0.9	0.9	0.9	1.0	<b>6.5</b>
Multi-material and Convenience Centers	0.3	9.0	4.4	0.3	0.1	0.2	0.2	<b>14.5</b>
South Wake Landfill	0.2	-	4.6	-	0.2	-	2.4	<b>7.4</b>
Beyond the South Wake Landfill	0.4	-	-	-	-	-	-	<b>0.4</b>
<b>Total (in millions)</b>	<b>1.9</b>	<b>10.2</b>	<b>9.6</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>3.6</b>	<b>28.8</b>

## Planned projects include:

- Planning for Beyond the South Wake Landfill
- Interim closure of a phase at the South Wake Landfill
- East Wake Transfer station maintenance projects
- Landfill gas system expansion
- Convenience center improvements
- Soil purchase for phase of landfill construction





# Education

**Wake Tech Community College**  
**Wake County Public School System**

# County responsible for multiple capital programs across multiple funds

County Capital Program	Other Programs	Education Programs
Automation	Fire Tax District	Wake Tech
Community Capital	Housing	WCPSS
County Buildings	Major Facilities	
Criminal Justice	Solid Waste	
Economic Development		
Libraries		
Public Safety		
PROS		

# Capital Responsibilities: Wake Tech

## NCGS 115D-32

- The **tax-levying authority of each institution** shall be responsible for providing, in accordance with the provisions of G.S. 115D-33 or 115D-34, as appropriate, adequate funds to meet the financial needs of the institutions for the following budget items:
- (1) Plant Fund: Acquisition of land; **erection of all buildings; alterations and additions to buildings; purchase of automobiles, buses, trucks, and other motor vehicles; purchase or rental of all equipment necessary for the maintenance of buildings and grounds and operation of plants**; and purchase of all furniture and equipment not provided for administrative and instructional purposes.

# Wake Tech 7-year Capital Program:

## \$425.8 million

Program Area	FY26	FY27	FY28	FY29	FY30	FY31	FY32	7-Year Total
Western Wake Campus	45.5	17.5	-	-	-	-	65.0	128.0
Perry Health Sciences Campus	3.0	3.0	-	-	-	-	-	6.0
Southern Wake Campus	15.0	39.0	11.5	11.5	22.0	22.0	-	121.0
RTP Campus	13.0	16.9	-	-	-	-	-	29.9
Eastern Wake Campus	6.0	6.0	9.0	9.0	-	-	-	30.0
Northern Wake Campus	-	-	4.0	4.0	-	-	-	8.0
Campus Wide Infrastructure Repairs	6.1	6.5	7.8	8.0	8.8	8.8	10.0	56.0
Advanced Simulation Equipment Expansions	-	-	2.0	2.0	2.0	2.0	-	8.0
IT Infrastructure	2.4	2.4	2.4	2.4	2.4	2.4	2.5	16.9
Multi-Facility Renovations	-	-	-	-	-	-	22.0	22.0
<b>Total (in millions)</b>	<b>91.0</b>	<b>91.3</b>	<b>36.7</b>	<b>36.9</b>	<b>35.2</b>	<b>35.2</b>	<b>99.5</b>	<b>425.8</b>

# Capital Responsibilities: WCPSS

## § 115C-408. Funds under control of the State Board of Education.

- (a) It is the policy of the State of North Carolina to create a public school system that graduates good citizens with the skills demanded in the marketplace, and the skills necessary to cope with contemporary society, using State, **local and other funds in the most cost-effective manner**. The Board shall have general supervision and administration of the educational funds provided by the State and federal governments, except those mentioned in Section 7 of Article IX of the State Constitution, **and also excepting such local funds as may be provided by a county, city, or district**. The Superintendent of Public Instruction shall administer any available educational funds through the Department of Public Instruction in accordance with all needed rules and regulations adopted by the State Board of Education.
- (b) To ensure a quality education for every child in North Carolina, and to assure that the necessary resources are provided, it is the policy of the State of North Carolina to provide from State revenue sources the instructional expenses for current operations of the public school system as defined in the standard course of study.

**It is the policy of the State of North Carolina that the facilities requirements for a public education system will be met by county governments.**

# Proposed WCPSS 7-year Capital Program: \$2.9 billion

Program Area	FY26	FY27	FY28	FY29	FY30	FY31	FY32	7-Year Total
New Schools	106.6	60.6	70.3	72.9	17.0	89.5	93.7	<b>510.6</b>
Existing Schools	150.5	189.7	164.2	164.5	214.9	144.7	140.0	<b>1,168.5</b>
Other Program Components	155.7	170.2	181.4	186.3	192.4	198.2	203.7	<b>1,287.9</b>
<b>Total (in millions)</b>	<b>412.8</b>	<b>420.6</b>	<b>416.0</b>	<b>423.6</b>	<b>424.3</b>	<b>432.4</b>	<b>437.5</b>	<b>2,967.1</b>

## Other Program Components:

- Land acquisition
- Facility lifecycle replacements of mechanical, plumbing, electrical, furniture, paving
- Environmental and ADA compliance projects
- Temporary Classrooms/Trailers
- Technology devices & infrastructure and building security systems
- Program Management: Staffing & Admin
- Partial renovations and non-traditional educational spaces and support facilities

# WCPSS CIP updated through collaborative efforts

**Joint Facilities Core Team  
(JFTC)**

**BOE Activities/Actions**

**BOC**

**FALL/WINTER**

Enrollment  
Forecast  
Planning  
Assumptions  
Cost Model

**FALL/WINTER**

CIP Executive  
Summary  
Renovation  
Prioritization  
Rubric

**FEBRUARY**

Enrollment  
forecast  
presented to  
BOE (emailed  
to BOC)

**MARCH**

CIP Cost model  
prioritization  
rubric shared  
with BOE  
Facilities  
Committee

**APRIL/MAY**

WCPSS CIP  
presented to  
and approved  
by BOE

**MAY**

Additional  
detail  
presented to  
BOC during  
budget work  
sessions



**WAKE.GOV**