

Fall 2022 GO Referenda for Schools and Wake Tech

June 21, 2022



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Background For Today's Request

- County is pursuing future issuance of General Obligation (GO) Bonds in order to fund respective future capital needs of Schools and Wake Tech
 - County has no remaining GO authorization for Schools or Wake Tech
 - 2018 Schools Bond of \$548 million funded project appropriations for FY20 & FY21
 - 2018 Wake Tech Bond of \$349 million funded project appropriations for FY20 to FY23
- GO Bonds represent the lowest cost long-term debt available to the County
- Before County can issue GO Bonds, voters must first approve a bond referendum
- Today's request is second of four required Board actions
- Prior action taken at the Board meeting held on June 6, 2022:
 - Adopted Findings Resolution
 - Directed publication of Notice of Intent to file application with Local Government Commission, and directed filing of same application

Relevant Board Goals

Proposed Referenda complements Key Strategic Action 4.1 of the Board's 2022 Education Goals:

Plan for and execute a successful bond referendum for the Wake County Public School System and Wake Technical Community College

Summary Information

Proposed Referenda Amounts & Purposes



Schools \$530.7 million Bond provides funding for certain FY2024 to FY2025 capital needs



Wake Tech \$353.2 million Bond provides funding for certain FY2024 to FY2027 capital needs

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Proposed GO Bond for Schools

Schools Bond \$530.7 Million

Schools Projects FY24 & FY25

\$274M New Schools

92M School Replacement

256M Program Requirements

42M Program Contingency &
Program Management

\$664.7M Total

County Funding FY24 & FY25

\$530.7M Bond

134M Cash

\$664.7M Total

Schools Projects for FY24 & FY25

New Schools

- * Pleasant Plains ES
- * Bowling Road ES
- * Wendell ES
- * Parkside MS
- * Unidentified HS

School Replacement

- * Lockhart ES
- * Brentwood ES
- * Briarcliff ES
- * Washington ES
- * North Garner MS
- * Ligon MS
- * Athens Drive HS

Program Requirements

- * Life Cycle Building
- * Life Cycle Furniture
- * Ed Equipment
- * Environmental / ADA
- * Technology Devices
- * Technology Infrastructure
- * Security
- * Temporary Classrooms
- * Land Assessment
- * Land Purchase
- * Space Needs Analysis & Prioritization ("SNAP")
- * Partial Renovations & Improvement ("PRIMP")

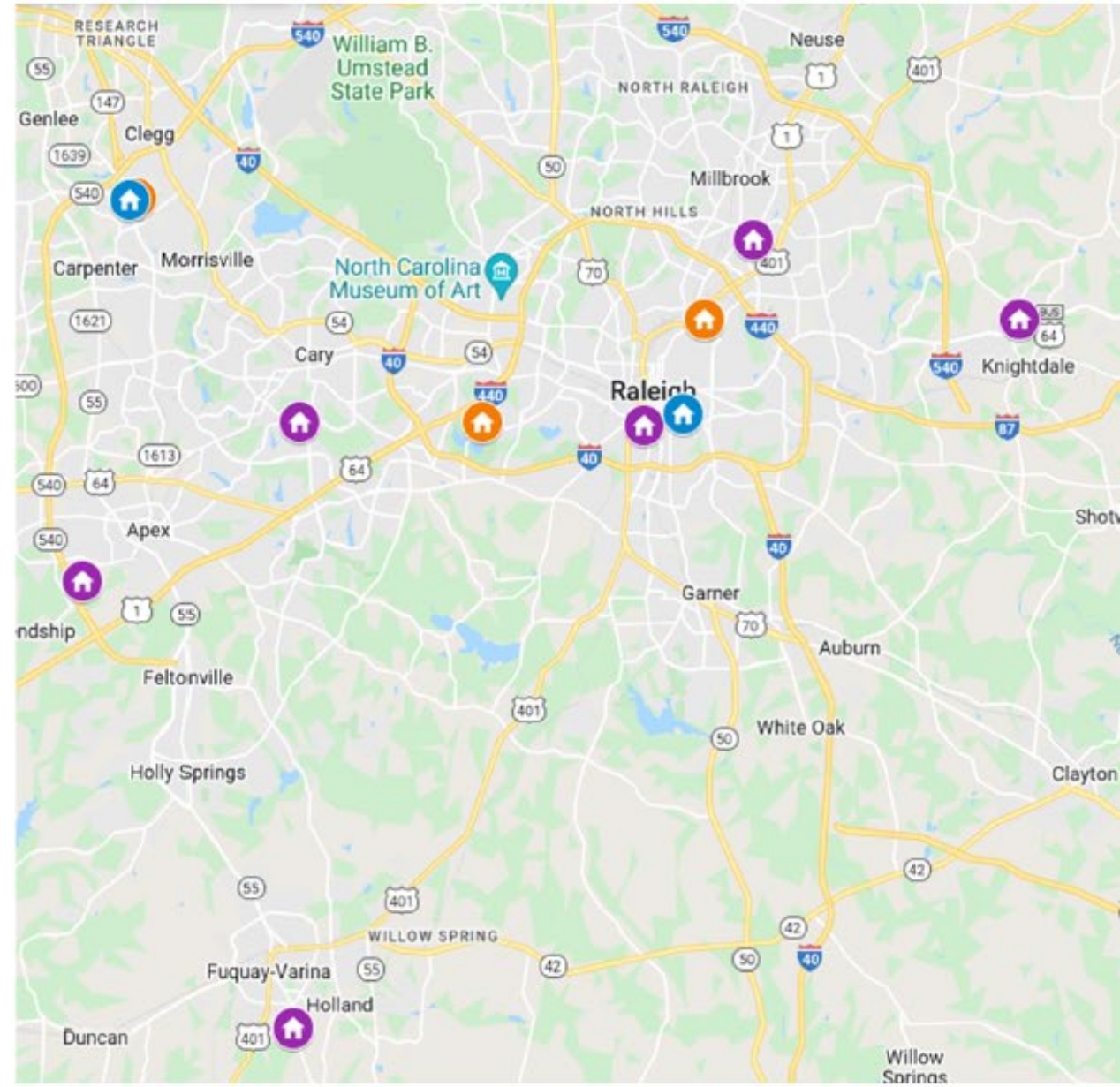
Major Schools Projects Are Bond Funded

Project Name	Project Type	Location	Construction Start	Substantial Completion
Parkside MS/ Wake EC of Information & Biotechnologies	New	Morrisville	Apr 2023	Apr 2025
Pleasant Plains ES (E-53)	New	Apex	Feb 2024	May 2025
Bowling Rd ES (E-49)	New	Fuquay-Varina	Feb 2024	May 2025
Lockhart ES	Replace / Renovate	Knightdale	Jan 2026	Apr 2027
Brentwood ES	Replace / Renovate	Raleigh	Feb 2026	May 2027
Athens Drive HS	Replace / Renovate	Raleigh	Feb 2026	May 2027
Ligon MS	Replace / Renovate	Raleigh	Aug 2026	Nov 2027
Briarcliff ES	Replace / Renovate	Cary	Aug 2026	Nov 2027
H-3 - New High School	New	West Cary / Morrisville	Apr 2026	Apr 2028
Washington ES	Replace / Renovate	Raleigh	Nov 2027	Feb 2029

Major Schools Project Locations

Project Name	Project Type	Location
Parkside MS/ Wake EC of Information & Biotechnologies	New	Morrisville
Pleasant Plains ES (E-53)	New	Apex
Bowling Rd ES (E-49)	New	Fuquay-Varina
Lockhart ES	Replace / Renovate	Knightdale
Brentwood ES	Replace / Renovate	Raleigh
Athens Drive HS	Replace / Renovate	Raleigh
H-3 - New High School	New	West Cary / Morrisville
Washington ES	Replace / Renovate	Raleigh
Ligon MS	Replace / Renovate	Raleigh
Briarcliff ES	Replace / Renovate	Cary
Capital Blvd (H-15)*	New	Raleigh

*Project funding moved to FY27 and FY29



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Proposed GO Bond for Wake Tech

Wake Tech Bond \$353.2 Million

Wake Tech Projects FY24 to FY27

\$337.5M Major Projects

13.5M Minor Renovations & Repair

32.8M Infrastructure Upgrades

\$383.8M Total

County Funding FY24 to FY27

\$353.2M Bond

30.6M Cash

\$383.8M Total

Wake Tech Projects for FY24 to FY27

Major Projects

- * New Health Sciences Bldg and Parking Deck
- * General Education Bldg
- * Culinary Science Bldg
- * Cyber Science Bldg and Parking Deck

Minor Renovation & Repair

- * Mechanical Equipment
- * Building Automation Control
- * Elevator Modernization
- * Building Envelope Upgrades
- * Electrical Replacement
- * Life Safety Equipment

Infrastructure Upgrades

- * IT Infrastructure
- * Minor Capital
- * Facility Alterations
- * Card Readers
- * Signage Upgrades
- * Site Accessibility Upgrades
- * Southern Loop Road (SWC)

Major Wake Tech Projects Are Bond Funded

		FY24	FY25	FY26	FY27	Total
Campus-wide R&R, Alterations						
<i>Mech Equip Replacement</i>	<i>All</i>	\$1,200,000	\$1,200,000	\$1,300,000	\$1,400,000	\$5,100,000
<i>Building Automation Controls Upgrades</i>	<i>All</i>	\$200,000	\$200,000	\$300,000	\$300,000	\$1,000,000
<i>Elevator Modernization</i>	<i>All</i>	\$100,000	\$100,000	\$200,000	\$200,000	\$600,000
<i>Building Envelope Upgrades</i>	<i>All</i>	\$700,000	\$700,000	\$750,000	\$750,000	\$2,900,000
<i>Electrical Replacement</i>	<i>All</i>	\$700,000	\$700,000	\$950,000	\$950,000	\$3,300,000
<i>Life Safety Equipment Replacement</i>	<i>All</i>	\$150,000	\$150,000	\$150,000	\$150,000	\$600,000
Campus-wide Infrastructure Upgrades						
<i>Card Readers</i>	<i>All</i>	\$80,000	\$80,000	\$85,000	\$90,000	\$335,000
<i>Signage Upgrades</i>	<i>All</i>	\$250,000		\$250,000		\$500,000
<i>Site Accessibility Upgrades</i>	<i>All</i>	\$75,000	\$75,000	\$75,000	\$75,000	\$300,000
<i>Southern Loop Road and Paving</i>	<i>SWC</i>	\$250,000	\$250,000	\$250,000	\$250,000	\$1,000,000
Strategic Expansion Projects						
<i>New Health Sciences Bldg & Parking Deck</i>	<i>PHSC</i>	\$81,000,000	\$24,000,000			\$105,000,000
<i>Gen Ed Building 1 / Student Svcs & Initial Sitework</i>	<i>WWS</i>	\$5,500,000	\$59,500,000	\$10,500,000		\$75,500,000
<i>Culinary/Science Building 2</i>	<i>WWS</i>		\$3,000,000	\$51,000,000		\$54,000,000
<i>Cyber/Science Building 3 & Parking Deck</i>	<i>RTP</i>			\$8,000,000	\$57,000,000	\$65,000,000
<i>Renovate Various Southern Campus Facilities</i>	<i>SWC</i>			\$13,000,000	\$25,000,000	\$38,000,000

Major Wake Tech Project Locations



RTP Campus
(new Cyber Science Building and parking deck)



Beltline Education Center



North Wake College & Career Academy



North Scott Campus



Western Wake Campus
(existing leased facility to be replaced with new 34± acre campus bordering I-540, including General Education and Culinary Sciences buildings)



Eastern Wake Education Center



Southern Wake Campus
(various campus facility upgrades and renewal projects)



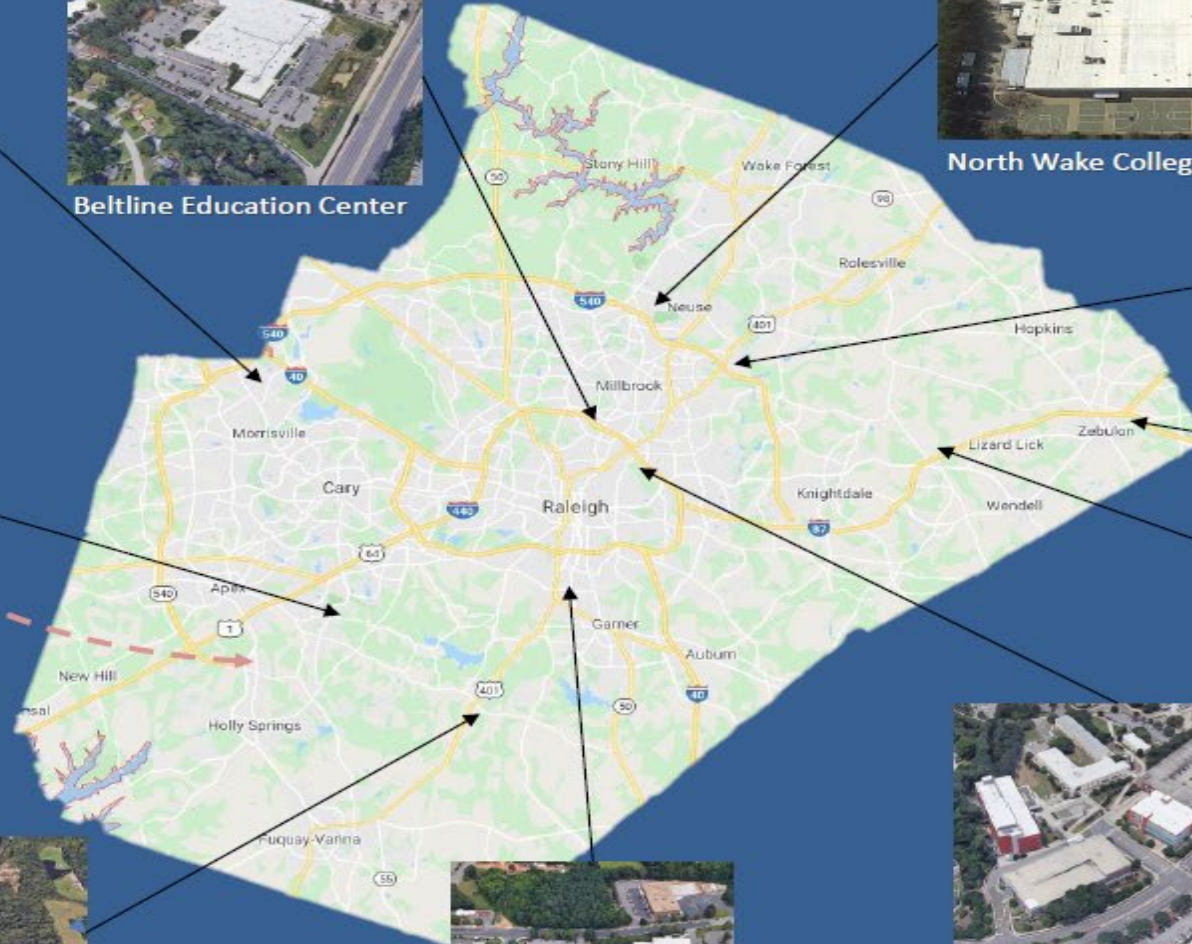
Public Safety Education Campus



Perry Health Sciences Campus
(new Health Sciences building to include simulation center, parking deck and road realignment)



Eastern Wake 4.0 Campus
(under construction opening 2023)



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Financial Impacts & Other

Necessary Tax Levy

- County has contemplated issuance of all proposed GO referenda bonds for Schools and Wake Tech in its long-term financial model
- County projects a 1.0¢ tax levy is necessary in FY24 to support the proposed GO referenda for Schools and Wake Tech

.6 ¢ Tax levy for Schools

.4 ¢ Tax levy for Wake Tech

1.0 ¢ Total Tax Levy

Citizen Impact of 1.0¢ Tax Levy

- 1.0¢ Tax Increase = Costs \$10 for each \$100k of Assessed Value
- Average Wake County Home Assessed Value in 2021 = \$337,000
- Impact of 1.0¢ Tax Increase on Annual Taxes for Average Wake County Home in 2021 = \$33.70

1.0¢ Increase on 2021 Average Home Assessed Value \$337,000			
	Nov 2022 <u>Bond Amounts</u>	Allocation of <u>Tax Levy</u>	Allocation of <u>Tax Impact</u>
Schools	\$530,700,000	60%	\$20.23
Wake Tech	\$353,200,000	40%	\$13.47
Tax Impact on \$337,000 Valued Home			\$33.70

Contingency Planning

- Should 2022 GO referenda fail
 - County could issue Limited Obligation Bonds (LOBs) at a slightly higher cost
 - Due to increased cost, County may have to adjust its level of support for Schools and Wake Tech respective capital programs and/or adjust its FY24 tax levy
- After the referendum staff would come back to Board to discuss options which may include:
 1. Reduced funding of Schools and Wake Tech capital programs
 2. Revised FY24 tax levy required to support Schools and Wake Tech capital programs
 3. Some combination of 1 and 2

Recommendation and Next Steps

For today's request County staff recommends the Board:

1. Introduces respective Bond Orders related to proposed Referenda;
2. Authorizes filing of Sworn Statement of Debt, and Statement of Estimated Interest with Board Clerk; and
3. Calls for a public hearing at the Board of Commissioners meeting on July 11, 2022 and directs the local publication of a Notice of Public Hearing

Next Board Action

July 11, 2022 Board Meeting – conduct public hearing; adopt bond orders; adopt resolution calling for referenda



Questions