

# 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



# 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

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\$664.7M Total

## County Funding FY24 & FY25

**\$530.7M Bond**

134M Cash

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\$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")

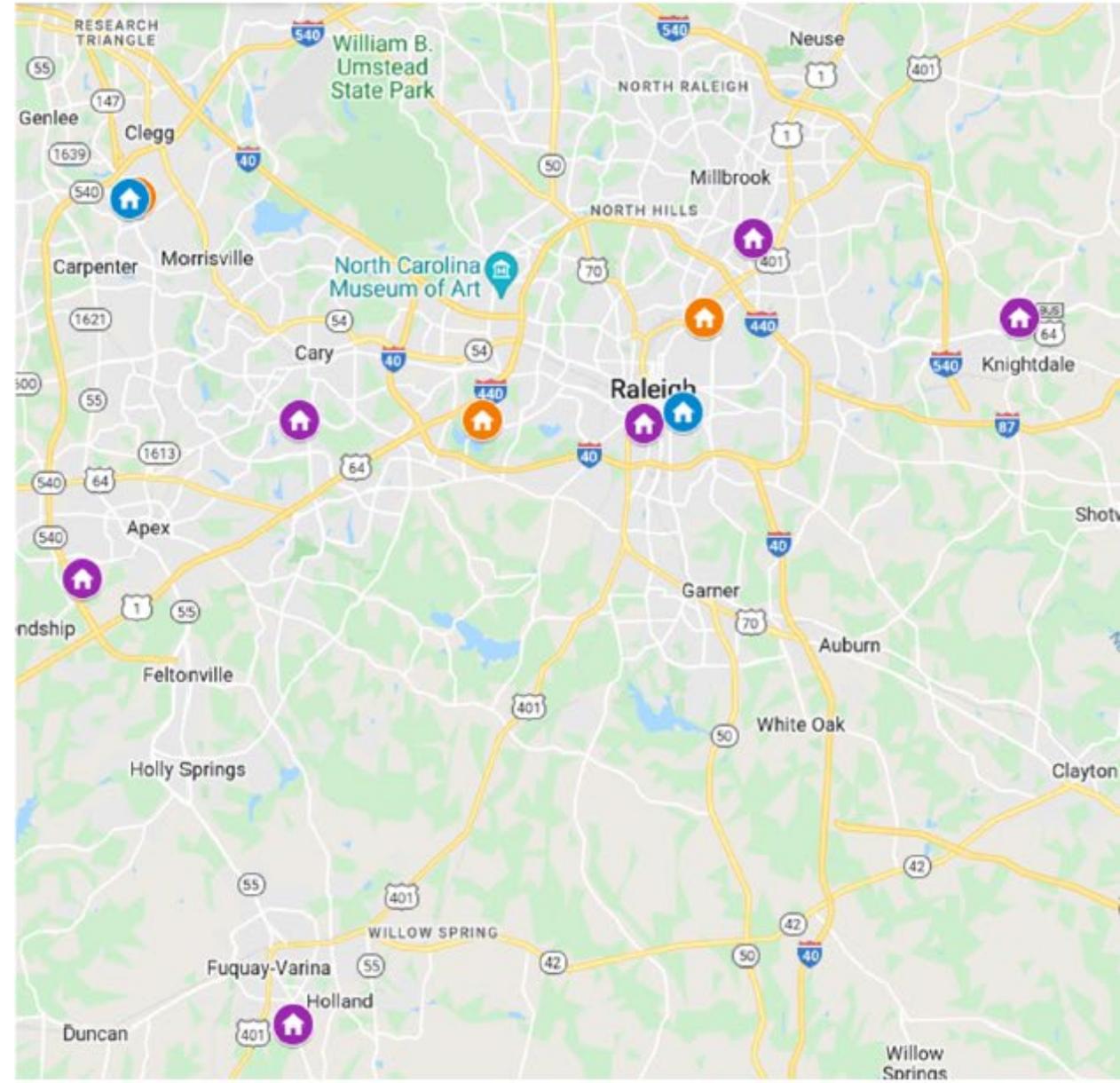
# Major Schools Projects Are Bond Funded

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





# 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
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\$383.8M	Total

## County Funding FY24 to FY27

\$353.2M	Bond
30.6M	Cash
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\$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
<b>Campus-wide R&amp;R, Alterations</b>						
<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
<b>Campus-wide Infrastructure Upgrades</b>						
<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
<b>Strategic Expansion Projects</b>						
<i>New Health Sciences Bldg &amp; Parking Deck</i>	<i>PHSC</i>	\$81,000,000	\$24,000,000			\$105,000,000
<i>Gen Ed Building 1 / Student Svcs &amp; 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 &amp; 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**



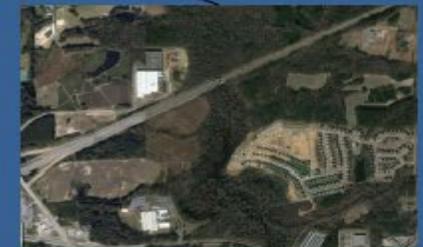
**Southern Wake Campus**  
*(various campus facility upgrades and renewal projects)*



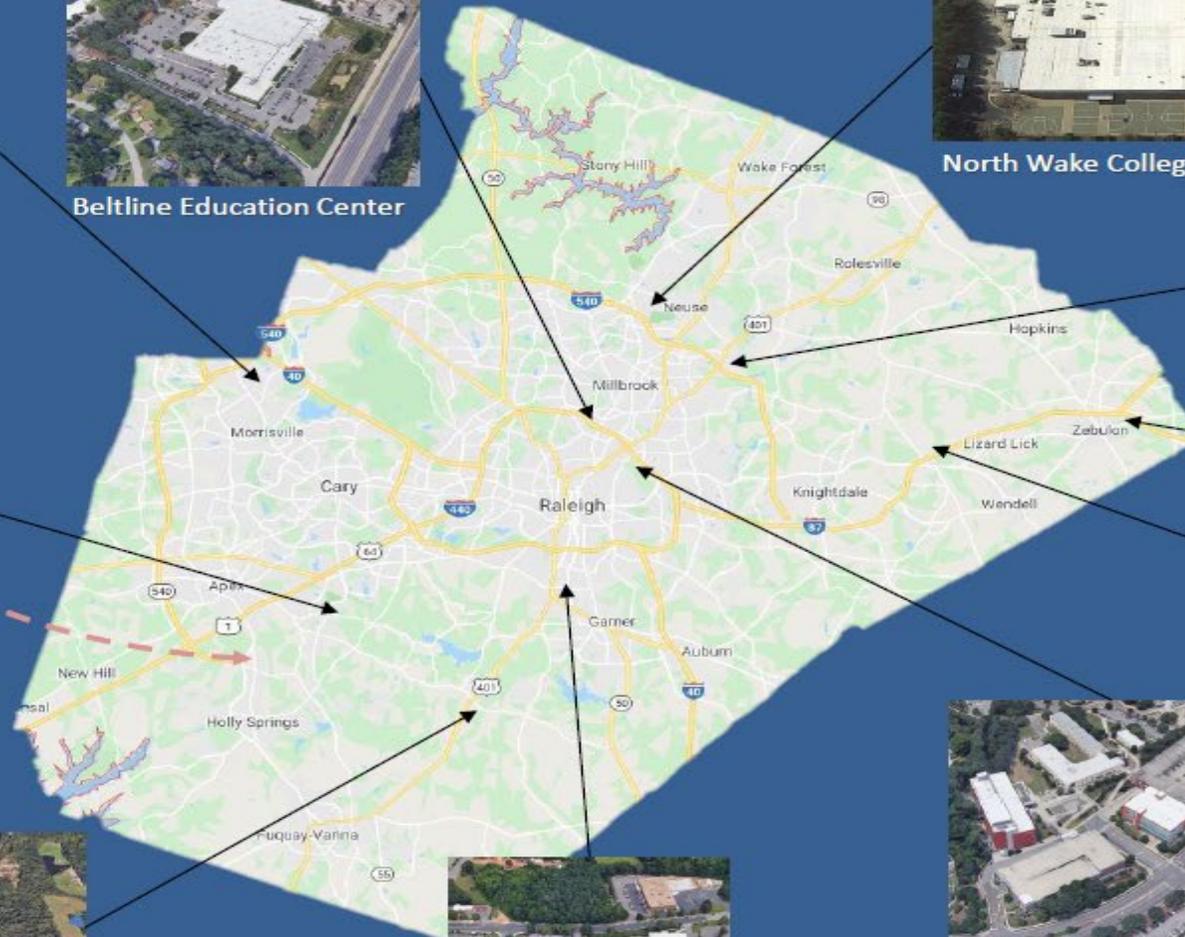
**Public Safety Education Campus**



**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)*





# 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

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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

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

# 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