

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

Specific Action Requested:

That the Board of Commissioners approves the following requests from the Board of Education for appropriations in the Seven Year Capital Improvement Program:

- 1. Appropriate \$54,021,982 in the Seven Year Capital Improvement Program for construction funding at Barton Pond Elementary (E-24), partial construction funding for renovations at Wiley And North Ridge Elementary Schools and preliminary design funding for York and Fuller Elementary schools.**
- 2. Appropriate \$9 million of Debt Service Fund fund balance to serve as the temporary funding source for partial construction funding for North Ridge Elementary.**

Item Summary:

Overview

The Board of Education is requesting that funds be reallocated as follows:

SEVEN-YEAR CAPITAL IMPROVEMENT PROGRAM				
Seven Year CIP Project	Total Budget*	Appropriations to Date*	Proposed Appropriations*	Remaining to be Appropriated*
New Schools				
Barton Pond Elementary (E-24)	38,107,976	2,020,000	36,087,976	-
Renovations				
North Ridge Elementary	36,975,711	2,020,000	9,000,000	25,955,711
Wiley Elementary	24,354,006	1,420,000	4,934,006	18,000,000
Fuller Elementary	36,224,125	-	2,000,000	34,224,125
York Elementary	42,745,352	-	2,000,000	40,745,352
Total	178,407,170	5,460,000	54,021,982	118,925,188

*Includes design, construction, FF&E, and public infrastructure. Does not include land acquisition costs.

New Schools

The item includes a total appropriation of \$36.1 million for construction and offsite infrastructure at Barton Pond Elementary (E-24) in Raleigh. The school is planned to serve as a swing space for two renovation projects in its first two years: Stough Elementary in 2019-20 and York Elementary 2020-21. It is planned to open as a new school in Fall 2021.

Renovation Construction Funding

The item includes partial construction funding for renovations at two elementary schools in Raleigh: North Ridge and Wiley. Both renovations are scheduled to be completed in 2019.

North Ridge Appropriation

North Ridge was not originally scheduled to receive construction funding in FY 2018. When the school system updated their seven-year plan, they had anticipated using some project savings to self-fund the early construction costs incurred in FY2018. However, the savings didn't materialize and WCPSS has accelerated the timeline for all projects so that they may open early enough to have the option of serving as a traditional or year-round calendar school.

Given these factors, a \$9.0 million appropriation is needed for partial construction at North Ridge. Wake County Finance has identified additional limited obligation bond funding that will be available to cover the North Ridge in June. In the meantime, this item includes an appropriation of \$9.0 million in fund balance from the Debt Service to serve as a temporary funding source until the bond funding becomes available. Once the funding is available, the \$9.0 in temporary funding will be returned to the Debt Service fund.

Renovation Design Funding

The item also includes \$4.0 million in preliminary design funding for renovations at York and Fuller elementary schools in Raleigh.

Staff Comments

Staff recommends the appropriations as requested. All appropriations in this item are in accordance with the FY 2018 funding schedule except for North Ridge, and a temporary funding source has been identified to bridge the gap between the current request and planned funding.

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.

The FY 2018 CIP totals \$268.1 million. To date, \$213.4 million has been appropriated and \$54.7 million remains to be appropriated.

Attachments:

1. Presentation
2. Resolution
3. Budget Memo – FY 2018 Debt Service Fund
4. Seven-Year CIP Appropriation Summary as of April 2, 2018
5. Board of Education Resolution