

Item Title: Proposed 2018A Limited Obligation Bonds not to exceed \$175,000,000

Specific Action Requested:

That the Board of Commissioners adopts the attached resolution which:

- 1. Makes findings and determinations regarding the proposed issuance of Limited Obligation Bonds (“2018A LOBs”) not to exceed \$175,000,000; and,**
- 2. Schedules a public hearing for May 21, 2018 regarding the County’s proposed bond issuance; and**
- 3. Approves the filing of application to the Local Government Commission for the approval of the financing arrangement.**

Item Summary:

On January 17, 2017, the Wake County Board of Commissioners authorized a short-term construction period Installment Financing Agreement with Wells Fargo National Bank for \$334,349,000 (“Draw Program”) for WCPSS and WTCC projects as identified in the 2017-2023 Capital Improvement Program. Capital projects identified for the \$334,349,000 Draw Program are as follows:

| | <u>Purpose</u> | <u>Amended Budget</u> |
|---|-----------------------|------------------------------|
| WCPSS | | |
| <u>NEW SCHOOLS</u> | | |
| E-35 South Lake ES | Design | \$ 1,000,000 |
| M-16 New Middle (Lg) Alston Ridge MS | Construction | 55,494,762 |
| H-13 New High (Lg) Willow Spring High | Construction | 94,081,740 |
| H-15 Capital Blvd. | Design | 2,000,000 |
| <u>REPAIRS & RENOVATIONS</u> | | |
| Apex High | Construction | 95,386,246 |
| Vandora Springs | Construction | 33,679,000 |
| East Wake Middle | Design | 1,000,000 |
| Fuquay Varina High | Design | 2,200,000 |
| <u>OTHER</u> | | |
| Public Infrastructure | Construction | 5,495,291 |
| Property Acquisition | Land | 10,000,000 |
| Security | Security | 4,100,000 |
| Program Contingency | Contingency | 5,487,961 |
| | | <u>309,925,000</u> |
| WTCC | | |
| <u>NEW FACILITIES</u> | | |
| RTP Classroom Building 2 | Design | 4,933,206 |
| Renovation of Power Mechanics | Design | 872,500 |
| NWC Automotive & Collision Repair* | Design | 3,417,891 |
| <u>REPAIRS & RENOVATIONS</u> | | |
| Campuswide R&R, Alterations, Minor Capital | Design/Construction | 3,872,589 |
| Campuswide Infrastructure Upgrades | Design/Construction | 9,393,777 |
| <u>OTHER</u> | | |
| Main Facilities Mgmt. & Warehouse Building* | Design | 1,933,796 |
| | | <u>24,424,000</u> |
| Total | | <u>\$ 334,349,000</u> |

On January 16, 2018, the Wake County Board of Commissioners authorized an additional \$55,317,000 under the Draw Program for WCPSS and WTCC projects as identified in the 2018-2024 Capital Improvement Program, for a revised total Draw Program availability of \$389,666,000. Capital projects identified for the \$55,317,000 increase are as follows:

| Wake County 160A-20 Projects to be Funded with Notes | | |
|---|---------------------|---------------|
| <i>Spring 2018 LOB Note Extension</i> | | |
| | | |
| Description | Purpose | Total |
| WCPSS | | |
| <u>NEW SCHOOLS</u> | | |
| E-24 (Barton Pond Elementary) | Construction | \$ 33,053,854 |
| <u>REPAIRS & RENOVATIONS</u> | | |
| Fuller Elementary | Design | 2,000,000 |
| York Elementary | Design | 2,000,000 |
| <u>OTHER</u> | | |
| Public Infrastructure | Construction | 3,035,122 |
| | Total, Rounded | 40,089,000 |
| WTCC | | |
| <u>NEW FACILITIES</u> | | |
| RTP Classroom Building 2 | Permitting | 327,093 |
| Renovation of Power Mechanics | Construction | 1,934,400 |
| <u>REPAIRS & RENOVATIONS</u> | | |
| Campuswide R&R, Alterations, Minor Capital | Design/Construction | 2,300,000 |
| Campuswide Infrastructure Upgrades | Design/Construction | 10,666,933 |
| | Total, Rounded | 15,228,000 |
| | | |
| Total | | \$ 55,317,000 |

Proceeds of the proposed 2018A LOBs will be used to provide: (1.) permanent take out financing for a portion of the \$389,666,000 projects described above ("Prior Authorized Projects"); and (2.) new funding for additional projects ("New Projects").

Prior Authorized Projects

The proposed 2018A LOBs will permanently finance approximately \$156,292,366 of Prior Authorized Projects. This amount includes both (a.) life-to-date project expenses reflected in the Draw Program outstanding balance of \$80,155,217 at March 31, 2018; and (b.) unspent project funds totaling up to \$75,844,783 for certain projects under construction.

New Projects

The proposed 2018A LOBs will also provide new partial funding for two accelerated school projects; Parkside Elementary and Northridge Elementary.

The proposed 2018A LOBs will be collateralized by a security interest in Apex High School. As this school is currently part of the original collateral for the Draw Program, it will subsequently be released from the current Draw Program Deed of Trust and become the collateral for the proposed 2018A LOBs.

Total Funding Needs – Proposed 2018A LOBs

Total needs for the proposed 2018A LOBs not to exceed \$175,000,000 are as follows:

| | |
|--|----------------------|
| Prior Authorized Projects – 3/31/18 Draw Program Balance | \$ 80,155,217 |
| Prior Authorized Projects – Under Construction | 75,844,783 |
| New Projects – Two Elementary Schools | 19,000,000 |
| Total | <u>\$175,000,000</u> |

At this time, the Board of Commissioners is asked to adopt the attached resolution making findings and determinations regarding the proposed Bond issuance, schedule a public hearing for the May 21, 2018 meeting of Board of Commissioners regarding the proposed Bond issuance, and approve the filing of an application to the Local Government Commission for approval of the proposed Bond issuance.

Attachments:

1. Draft Resolution
2. Notice of May 21, 2018 Public Hearing
3. Status of capital projects under the Wells Fargo Draw Program