

Item Title: Public Hearing on General Obligation Bond Referenda for Schools, Wake Tech, and Parks, Greenways, Recreation, and Open Space for November 2018 Ballot

Specific Action Requested:
That the Board of Commissioners:

- 1. Holds the public hearing on three Bond Orders related to proposed November 2018 Bond Referenda and, upon close of public hearing;**
- 2. Adopts on second reading each of the three Bond Orders related to proposed November 2018 Bond Referenda, and directs the adopted Bond Orders to be published; and**
- 3. Adopts a resolution calling for a November 6, 2018 Bond Referendum on the adopted Bond Orders, and directs a Notice of Bond Referendum to be published twice, as provided in Local Government Bond Act.**

Item Summary:

Purpose: State statute (*Chapter 159 Article 4*) requires a series of Board actions for the County to hold a bond referendum. This action is the final required action prior to the November 6, 2018 referenda vote.

Background: The proposed referenda address future capital needs of public schools, Wake Tech, and County recreation. The proposed referenda include \$548 million for the Wake County Public School System capital plan, \$349 million for Wake Tech's capital plan, and \$120 million for County parks, greenways, recreation and open space.

Prior actions of the Board related to the proposed Referenda include: (1.) on June 18, 2018 the Board authorized staff to file an application with the Local Government Commission, scheduled a bond referendum for November 6, 2018, and took other administrative actions; and (2.) on July 23, 2018 the Board scheduled a public hearing for its August 6, 2018 Board meeting and took other administrative actions.

Board Goal: The current Board action complements Initiative E2.2 - In partnership with WCPSS and Wake Tech, support a 2018 WCPSS bond referendum, and continue implementing financing strategies to address needs identified in the 7-year CIP; and Initiative GS1.1 - Prepare for a new parks, open space, and greenway bond referendum that will provide for more recreational opportunities and environmental education, assist in the development of a countywide

interconnected greenway system, and provide additional watershed protection.

Fiscal Impact: Future bonds to be issued under the proposed Bond Orders have been fully anticipated in the County's Debt and Capital Financial Model.

Additional Information:

A successful voter approved bond referendum authorizes the future issuance of General Obligation (GO) bonds by the County for specific designated purposes.

The County has modeled future capital expenditures for Schools, Wake Tech and PGROS to be funded initially by short-term construction period GO BAN draw programs with ultimate intent to be taken out with future GO bond issuances. The practice to issue construction period financing before issuing permanent GO Bonds for Schools, Wake Tech and PGROS capital needs is consistent with recent County practice and methodology, and achieves cash flow savings for benefit of the County and its citizens.

The current Board action is the final action required for bond referenda questions to appear on the Fall 2018 voter ballot. Remaining dates of note are as follows:

<u>By: August 9, 2018</u>	Deliver certified copy of resolution calling for referendum to Board of Elections.
<u>August 13, 2018</u>	Publication of final bond orders as adopted and first notice of referendum.
<u>August 27, 2018</u>	Publish second notice of referendum.
<u>September 7, 2018</u>	Absentee ballots available.
<u>October 12, 2018</u>	Last day to apply for registration for voting in referendum.
<u>November 6, 2018</u>	Referendum.
<u>November 16, 2018</u>	Canvassing of referendum returns by Board of Elections.
<u>December 3, 2018</u> Regular Meeting	Declaration of results of referendum by the Board of Commissioners.
<u>December 7, 2018</u>	Publication of statement of results of referendum.

Schools - \$548 Million Bond

Bonds to be issued under the currently proposed Schools referendum total an amount not to exceed \$548 million and will fund the Schools capital needs for fiscal years 2020 and 2021 (2 years). The proposed bonds will be combined with an estimated \$104.587 million in cash funding. Proposed projects to be completed in this two-year program are:

New Schools		2 yr Bond Funding
Southlakes Elementary		\$ 2,265,163
Middle School in Fuquay Varina		\$ 71,909,357
Elementary School in Apex		\$ 48,019,768
Elementary School in SW Wake County		\$ 3,166,134
Elementary School in SW Wake County		\$ 3,166,134
High School in SW Wake County		\$ 7,886,458
Elementary School (not identified)		\$ 3,308,610
	Subtotal	\$ 139,721,624
Renovations		
Wiley Elementary		\$ 369,387
Stough Elementary		\$ 23,979,804
East Wake Middle		\$ 5,387,852
Conn Elementary		\$ 20,509,300
Fuquay Varina High		\$ 73,675,384
Fuller Elementary		\$ 34,180,783
York Elementary		\$ 42,512,025
Swift Creek Elementary		\$ 3,020,370
West Millbrook Middle		\$ 68,543,035
Baucom Elementary		\$ 4,910,186
Middle School (not identified)		\$ 6,131,110
	Subtotal	\$ 283,219,236
Program Requirements		
Life Cycle Bldg Comp		\$ 54,810,000
Life Cycle Furniture		\$ 3,972,710
Educational Equipment		\$ 2,090,900
Environmental/ADA		\$ 8,363,600
Technology Infrastructure		\$ 6,180,000
Mobiles		\$ 2,639,000
Property Acquisition		\$ 10,609,000
	Subtotal	\$ 88,665,210
Contingency & Management		
Program Contingency		\$ 18,485,761
Program Management		\$ 17,474,762
	Subtotal	\$ 35,960,523
Total 2 Yr School Bond (Rounded)		\$ 548,000,000

Projected Tax Increase in FY2020 – Schools	2.30¢
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Wake Tech - \$349 Million Bond

Bonds to be issued under the currently proposed Wake Tech referendum total an amount not to exceed \$349 million and will fund Wake Tech's capital needs for fiscal years 2020 thru 2023 (4 years). The proposed bonds will be combined with an estimated \$35.066 million in cash funding. Proposed projects to be completed in this four-year program are as follows:

Major Projects	4 Yr Bond Funding
North Wake Campus Auto & Collision Repair Facility	\$ 35,530,340
South Wake Campus Advanced Industries Facility & Parking Deck	\$ 89,576,739
North Wake Campus Health Science New Lab & Parking Deck	\$ 82,292,800
Public Safety Emergency Center Simulation Building	\$ 45,658,700
RTP Parking Deck 1	\$ 55,269,100
RTP Classroom Building 3 (Design)	\$ 624,902
RTP Classroom Building 4 (Design)	\$ 656,620
Subtotal	\$ 309,609,201
Campuswide Renovations, Repairs & Alterations	
Mechanical Equipment	\$ 8,481,062
HVAC Controls	\$ 2,551,646
Elevator Repairs	\$ 744,200
Envelope Upgrades	\$ 3,546,000
Electrical Repairs	\$ 1,673,697
Life Safety Equipment	\$ 930,514
PHSC Miscellaneous Repairs	\$ 1,892,430
Ready Hall Labs Renovation	\$ 4,016,100
Subtotal	\$ 23,835,649
Campuswide Infrastructure Upgrades	
Mass Notification System	\$ 4,880,000
Accessibility Upgrades & Pedestrian Bridge at South Wake Campus	\$ 1,695,363
South Loop/Tech Road/US Hwy 401 Improvements and Paving	\$ 5,690,160
North Wake Campus Exterior HW & CHW Piping	\$ 3,327,580
Subtotal	\$ 15,593,103
Total 4 Yr Wake Tech Bond (Rounded)	\$ 349,000,000

Projected Tax Increase in FY2020 - Wake Tech	1.15¢
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Parks, Greenways, Recreation and Open Space (PGROS) - \$120 Million Bond

Bonds to be issued under the currently proposed \$120 million PGROS referendum will fund PGROS capital needs for fiscal years 2020 thru 2025 (6 years). Projects planned to be funded in this six-year program are as follows:

Open Space		6 Yr Bond Funding
Future Open Space		\$ 23,700,000
	Subtotal	\$ 23,700,000
Greenways		
Future Greenways		\$ 22,500,000
	Subtotal	\$ 22,500,000
Parks & Recreation Improvements		
Lake Myra County Park		\$ 16,000,000
Southeast Wake County Park		\$ 11,600,000
Sinclair Nature Preserve		\$ 1,700,000
Lake Crabtree Improvements		\$ 5,600,000
Blue Jay Point Improvements		\$ 5,200,000
Kellam-Wyatt Farm Preserve		\$ 2,500,000
Historic Oak View Improvements		\$ 3,000,000
Harris Lake Improvements		\$ 5,200,000
Crowder Improvements		\$ 4,900,000
Yates Mill Improvements		\$ 4,700,000
ATT Improvements		\$ 6,900,000
Robertson Mill Pond Preserve		\$ 2,900,000
Green Hills Improvements		\$ 3,600,000
	Subtotal	\$ 73,800,000
Total 6 Yr PGROS Bond		\$ 120,000,000

Projected Tax Increase in FY2020 - PGROS	0.35¢
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Total Projected Tax Increase in FY2020 – All Referenda

Schools	2.30¢
Wake Tech	1.15¢
PGROS	0.35¢
	3.80¢

Recommendation

At this time, staff recommends the Board of Commissioners (1.) hold the public hearing on three Bond Orders related to proposed November 2018 Bond Referenda and, upon close of public hearing; (2.) Adopts on second reading each of the three Bond Orders related to proposed November 2018 Bond Referenda, and directs the adopted Bond Orders to be published; and (3.) Adopts a resolution calling for a November 6, 2018 Bond Referendum on the adopted Bond Orders, and directs a Notice of Bond Referendum to be published twice as provided in Local Government Bond Act, all in connection with the proposed future issuance of general obligation bonds by the County.

Of note: The Board Clerk is required to provide a certified copy of the above proceedings to the Wake County Board of Elections within 3 days after adoption of proceedings.

Attachments:

1. Presentation
2. Draft Resolution adopting Bond Orders and calling for Bond Referenda to be held on November 6, 2018
3. Projected Tax Impact Chart
4. Fall 2018 Referendum Calendar of Events