

# Fall 2018 GO Bond Referenda

August 6, 2018



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# Background For Today's Request

- Voter approved referendum is required for the County to issue General Obligation (GO) bonds
- County needs to issue debt as part of plan to fund Schools, Wake Tech, and County capital needs
  - GO bonds remain lowest cost financing option available to County
  - County has no remaining GO authorization for Schools, Wake Tech, or County purposes
- Prior Board actions on proposed Referenda
  - 6/18/2018 Adopted Findings Resolution; directed other administrative actions
  - 7/23/2018 Introduced Bond Orders; directed other administrative actions
- Today's request is final Board action prior to November 6 ballot

# Relevant Board Goals

## 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***

## 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***

# Proposed Referenda Summary

- Proposed referenda size and structure
  - Schools        \$548 million / 2 Year Bond (FY2020 - FY2021)
  - Wake Tech    \$349 million / 4 Year Bond (FY2020 - FY2023)
  - PROS         \$120 million / 6 Year Bond (FY2020 - FY2025)
- Proposed property tax impact of referenda is estimated 3.8¢ in FY2020
  - Board action on tax increase to take place concurrent with FY2020 budget process

# Schools Bond Program \$548 Million

## New Schools

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

## Program Requirements

Life Cycle Bldg Comp & Furniture	\$	58,782,710
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

## 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

## Contingency & Management

Program Contingency	\$	18,485,761
Program Management	\$	17,474,762
Subtotal	\$	35,960,523

<b>GO Bond Referenda</b>	<b>\$548,000,000</b>
<b>Cash</b>	<b>\$105,000,000</b>
<b>Total 2 yr Capital Needs</b>	<b>\$653,000,000</b>

# Wake Tech Bond Program \$349 Million

Major Projects		
NW Auto & Collision Repair Facility	\$	35,530,340
SW Adv Industries Facility & Parking Deck	\$	89,576,739
NW Health Science Lab & Parking Deck	\$	82,292,800
Public Safety Emergency Center 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

Renovations, Repairs & Alterations		
Mechanical Equipment	\$	8,481,062
HVAC Controls	\$	2,551,646
Envelope Upgrades	\$	3,546,000
Electrical Repairs	\$	1,673,697
Life Safety Equipment	\$	930,514
Elevator & Miscellaneous Repairs	\$	2,636,630
Ready Hall Labs Renovation	\$	4,016,100
Subtotal	\$	23,835,649

Infrastructure Upgrades		
Mass Notification System	\$	4,880,000
Accessibility Upgrades & Pedestrian Bridge at SW Campus	\$	1,695,363
South Loop / Tech Road / US Hwy 401 Improvements at SW Campus	\$	5,690,160
Exterior HW & CHW Piping at NW Campus	\$	3,327,580
Subtotal	\$	15,593,103

<b>GO Bond Referenda</b>	<b>\$349,000,000</b>
<b>Cash</b>	<b>\$ 35,000,000</b>
<b>Total 4 yr Capital Needs</b>	<b>\$384,000,000</b>

# PGROS Bond Program \$120 Million

## Greenways

Future Greenways	\$	22,500,000
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## Open Space

Future Open Space	\$	23,700,000
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## 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
	\$	73,800,000

GO Bond Referenda	\$ 120,000,000
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Total 6 yr Capital Needs	\$ 120,000,000
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# Fiscal Impact of Referenda Anticipated

CALENDAR YEARS		2019	2020	2021	2022	2023	2024	2025
FISCAL YEARS		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
BALLOT QUESTIONS								
WCPSS GO Bonds; Vote Every 2 Years	Vote Nov	New Tax Rate Set June	G.O Debt Avail		Vote Nov	New Tax Rate Set June	G.O Debt Avail	
WCPSS Tax Increases		2.30			0.85		1.40	
WCPSS Ballot Amounts			\$548 million		\$562 million		\$652 million	
WTCC GO Bonds; Vote Every 4 Years	Vote Nov	New Tax Rate Set June	G.O Debt Avail			Vote Nov	New Tax Rate Set	G.O Debt Avail
WTCC Tax Increases		1.15					0.35	
WTCC Ballot Amounts			\$349 million				\$179 million +	
PROS GO Bonds; Vote Every 6 Years	Vote Nov	New Tax Rate Set June	G.O Debt Avail					
PROS Tax Increases		0.35						
PROS Ballot Amounts			\$120 million					
Total Estimated Tax Increase		3.80		0.85		1.75		



# Policy Impact of Referenda Anticipated

- Adherence to policies and guidelines protects AAA bond ratings
- Policies and guidelines remain within thresholds

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Fund Balance Ratio	30.2%	31.4%	32.1%	31.8%	30.8%	31.0%
% Debt Paid in 10 Years	73%	72%	71%	70%	70%	70%
Debt / Capital Ratio	80%	79%	78%	80%	79%	80%
Debt / Assessed Value Ratio	1.59%	1.54%	1.57%	1.65%	1.69%	1.58%

# Referenda Abbreviated Calendar

Date	Responsible Party	Event
May 15, 2018	Board of Education	Approve Resolution requesting Board of Commissioners take steps to fund School System Capital Program
June 18, 2018	Board of Commissioners	Adopt preliminary findings resolution
July 6, 2018	County Staff	File application with Local Government Commission
July 23, 2018	Board of Commissioners	Introduce bond orders; file sworn statement of debt and statement of estimated interest with Board Clerk
August 6, 2018	Board of Commissioners	Conduct public hearing; adopt bond orders; adopt resolution calling for Referendum
November 6, 2018	Citizens	Referendum
December 3, 2018	Board of Commissioners	Adopt resolution certifying results of Referendum

*\*Other administrative actions required by County staff along the way. See full calendar of events.*

# Summary

- School, Wake Tech, and County look to meet capital needs through combination of GO bond funding and pay-go methods
- GO bonds are lowest cost financing option to meet County's capital needs
- Proposed referenda structure and related anticipated tax impact has been modeled and works within County policies and guidelines
- Today's request is final Board action before November 6 ballot

# Questions

- Upon addressing Board questions, Public Hearing to be conducted

# Public Hearing

- Proposed General Obligation Bond Referenda for Schools; Wake Tech; and Parks, Greenways, Recreation, and Open Space for November 2018

# Requested Board Action

Adopt on second reading each of the three Bond Orders related to proposed November 2018 Bond Referenda, and direct the adopted Bond Orders to be published; and

Adopt a resolution calling for a November 6, 2018 Bond Referendum on the adopted Bond Orders, and direct a Notice of Bond Referendum to be published twice as provided in the Local Government Bond Act.



# Appendix

# Schools Ballot Language

Shall the order adopted on August 6, 2018, authorizing SCHOOL BONDS of the County of Wake, North Carolina in an amount not to exceed \$548,000,000 plus interest, for the purpose of providing funds to construct, renovate, expand, improve and equip school buildings and other school facilities, including associated real estate costs, and providing that additional taxes may be levied in an amount sufficient to pay the principal of and interest on the Bonds be approved?

# Wake Tech Ballot Language

Shall the order adopted on August 6, 2018, authorizing COMMUNITY COLLEGE BONDS of the County of Wake, North Carolina in an amount not to exceed \$349,000,000 plus interest, for the purpose of providing funds to construct, renovate, expand, improve and equip community college facilities for Wake Technical Community College, including associated real estate costs, and providing that additional taxes may be levied in an amount sufficient to pay the principal of and interest on the Bonds be approved?

# PGROS Ballot Language

Shall the order adopted on August 6, 2018, authorizing PARKS, GREENWAYS, RECREATION AND OPEN SPACE BONDS of the County of Wake, North Carolina in an amount not to exceed \$120,000,000 plus interest, for the purpose of providing funds for improving and expanding existing parks and recreational facilities and acquiring and constructing new parks and recreational facilities, including facilities developed jointly with other governmental entities, and including the acquisition of open space land and other land for recreational use, the acquisition of rights of way and the furnishing of incidental facilities and equipment in connection therewith, and providing that additional taxes may be levied in an amount sufficient to pay the principal of and interest on the Bonds be approved?