

Item Title: Appropriation of \$22,661,940 in Bonds Authorized under the 2018 Parks, Greenways, Recreation & Open Space (PGROS) Referendum

Specific Action Requested:
That the Board of Commissioners:

- 1. Appropriates \$22,661,940 in bond funds authorized under the 2018 Parks, Greenways, Recreation & Open Space (PGROS) referendum.**
- 2. Reallocates \$32,512 of Municipal Reimbursements in the Open Space Element of the Community Capital CIP to be transferred to the Parks, Recreation, Greenways, and Open Space Element.**

Item Summary:

Purpose: The Board of Commissioners appropriates funding for all county projects.

Background: Wake County provides outdoor recreation and educational opportunities while promoting environmental and cultural stewardship through a managed system of parks and open spaces. On November 6, 2018, voters approved a \$120 million, six-year Parks, Greenways, Recreation & Open Space (PGROS) bond referendum, with proceeds to be used for open space preservation, greenway development, new park and nature preserve construction, and existing park renovations.

On October 15, 2019, the County sold the first set of bonds authorized under the 2018 Parks, Greenways, Recreation & Open Space (PGROS) referendum, and covers projects planned for FY 2020 through mid-FY 2022. Wells Fargo submitted the winning low bid with a rate of 2.01%.

Appropriation of \$22,661,940 is needed to begin work on the many projects identified in the 2018 PGROS bond.

To better manage the PGROS bond, the Open Space Element is being combined with the Parks Element as the Parks, Recreation, Greenways, and Open Space Element. The reallocation of \$32,512 will transfer budget capacity from Open Space Element to Parks, Recreation, Greenways, and Open Space Element.

Board Goal: This action implements Growth & Sustainability Objective GS1: Implement a comprehensive approach for preserving open space and developing parks and greenways to address gaps, leverage

opportunities and resources, and enhance collaboration with municipal partners.

Fiscal Impact: The \$22,661,940 of bond funding is anticipated in the County's Debt and Capital Financial Model and associated future debt service has been incorporated into adopted FY 2020 Debt Service Fund Budget. The \$32,512 of Municipal Reimbursements reallocates existing funds.

Additional Information:

Since 1976, Wake County has provided outdoor recreation and educational opportunities while promoting environmental and cultural stewardship through a managed system of parks and open spaces. Since 2000, the County had protected over 7,600 acres of open space and assisted local municipalities with development of almost 24 miles of greenway trail. In 2018, more than 1.3 million people visited Wake County's 10 parks and nature preserves.

Throughout its history, the County has relied on general obligation bond referenda to fund CIP projects aimed at furthering its mission. On November 6, 2018, the county asked voters to decide on a \$120 million, six-year Parks, Greenways, Recreation & Open Space (PGROS) bond referendum, with proceeds being utilized for open space preservation, greenway development, new park and nature preserve construction, and existing park renovations. The bond passed with 68 percent of the vote.

On October 15, 2019, the County sold the first set of bonds authorized under the 2018 Parks, Greenways, Recreation & Open Space (PGROS) referendum covering projects planned for FY 2020 through mid-FY 2022. Wells Fargo submitted the winning low bid with a rate of 2.01%; the rate is the lowest rate on record for a Wake County GO bond sale of new issuance.

Proceeds of the 2019C PGROS GO Bonds ("proposed bonds") will fund \$41,730,000 of certain identified PGROS capital needs as summarized below:

Element: Parks, Recreation, Greenways & Open Space CIP			
Project	Current Appropriation	Proposed Appropriation	Revised Appropriation
Greenways*	\$0	\$0	\$0
Open Space**	\$0	\$0	\$0
Beech Bluff County Park	\$0	\$13,600,000	\$13,600,000
Kellam Wyatt Preserve	\$0	\$3,500,000	\$3,500,000
Lake Myra County Park	\$0	\$2,400,000	\$2,400,000
Historic Oak View Renovations	\$0	\$290,000	\$290,000
Lake Crabtree Renovations	\$0	\$600,000	\$600,000
Harris Lake Renovations	\$0	\$580,000	\$580,000
Blue Jay Point Renovations	\$0	\$550,000	\$550,000
Crowder Renovations***	\$1,768,060	\$1,141,940	\$2,910,000
Total	\$1,768,060	\$22,661,940	\$24,430,000

*The PGROS plan includes \$10,000,000 planned for Greenway projects in the first bond sale. Specific projects will come back before the Board for appropriation after they are identified by the RFP process.

** The PGROS plan includes \$7,300,000 planned for Open Space projects in the first bond sale. Specific projects will come back before the Board for appropriation after they are identified by the RFP process.

***On July 8, 2019 the Board approved the purchase of property in Swift Creek to expand Crowder County Park. The Board appropriated \$1,768,060 of fund balance in the Debt Service fund to temporarily fund the purchase until the PGROS bond sale. With the finalization of the bond sale, \$1,768,060 of PGROS bond proceeds will reimburse the Debt Service Fund.

As illustrated, proceeds of proposed bonds will fund, in part or whole, certain capital projects identified in the County's adopted Greenway System Plan, Park Facility Master Plan Updates, and the Comprehensive Parks & Recreation Master Plan for FY2020, FY2021, and portion of projects for FY2022. The next PGROS bond issuance under the 2018 PGROS Bond authorization is currently anticipated in January 2022 and will fund remainder of FY2022 projects and portion of projects for FY2023.

Since the PGROS bond encompasses both open space and parks projects, the Open Space Element is being combined with the Parks Element moving forward to better align the County CIP structure with the anticipated bond projects. As part of this CIP restructuring, staff recommend \$32,512 of remaining Open Space Administration budget capacity will be transferred from the Open Space Element to the Parks, Recreation, Greenways, and Open Space Element.

Element	Project	Current Appropriation	Proposed CIP Transfer	Revised Appropriation
Open Space	Open Space Administration	\$32,512	(\$32,512)	\$0
Parks, Recreation, Greenways & Open Space	Open Space Administration	\$0	\$32,512	\$32,512
Total		\$32,512	\$0	\$32,512

At this time, staff recommends the Board of Commissioners appropriate \$22,661,940 in bonds authorized under the 2018 Parks, Greenways, Recreation & Open Space (PGROS) referendum.

Attachments:

1. Budget Memo – County Capital - Parks, Recreation, Greenways, and Open Space