

**Item Title:** Proposed 2021 General Obligation Bond Anticipation Note not to exceed \$171,900,000

**Specific Action Requested:**

**That the Board of Commissioners adopts an authorizing resolution providing for the issuance of a General Obligation Community College Bond Anticipation Note, Series 2021 in an amount not to exceed \$171,900,000.**

**Item Summary:**

**Purpose:** State statutes (NC G.S. 159-161; 159-162) require Board approval of General Obligation debt, including a bond anticipation note draw program.

**Background:** This single Board action is required for authorization to issue the proposed General Obligation Community College Bond Anticipation Note ("2021 Wake Tech Draw Program") which will provide short-term construction period financing through a Bank for certain WTCC ("Wake Tech") projects. The proposed 2021 Wake Tech Draw Program will implement the final funding under the 2018 Wake Tech \$349 million voter approved bond and be the debt funding source for the Wake Tech's capital needs for fiscal years 2022 and 2023. Major projects include several new facilities, site expansion for a new campus location, as well as other facility needs.

**Board Goal:** The proposed Board action complements objectives of the 2021 Board Goal E4: Maintain a long-term funding plan for capital needs at the Wake County Public School System and Wake Technical Community College.

**Fiscal Impact:** Since the proposed 2021 Wake Tech Draw Program has been anticipated in the County's Debt and Capital Model, the associated closing costs and future debt service are already incorporated into the County's proposed FY2022 Budget.

**Additional Information:**

County voters last authorized a 4-year GO bond for Wake Tech on the November 2018 ballot for \$349 million ("2018 Wake Tech referendum"). During 2019 the County issued a 2019B General Obligation Bond Anticipation Note ("2019B GO BAN") in the amount of \$177.1 million to address Wake Tech's capital program funding needs for fiscal years 2020 and 2021. The proposed 2021 Wake Tech draw program will issue the remaining \$171.9 million authorization under the 2018 Wake Tech referendum to address Wake Tech's capital program funding needs for fiscal years 2022 and 2023.

Since 2016, the County has issued short-term (approximate 4-yr duration) draw programs as the initial and temporary debt funding source for Schools and Wake Tech respective capital programs. Depending on Board direction, these draw programs can either be a GO or LOBs structure. Over the duration of any short-term draw program, the County will then pursue periodic bond take-outs to convert drawn portions under the temporary draw program to permanent long-term bonds. This draw program strategy achieves significant cashflow savings for the County and its citizens as it allows debt to be incurred at a slower pace, thus slowing and/or reducing the need for required future tax increases for capital.

Now is the appropriate time for the County to secure a bank provider for the 2021 Wake Tech Draw Program, the debt funding source for Wake Tech's capital needs for fiscal years 2022 and 2023.

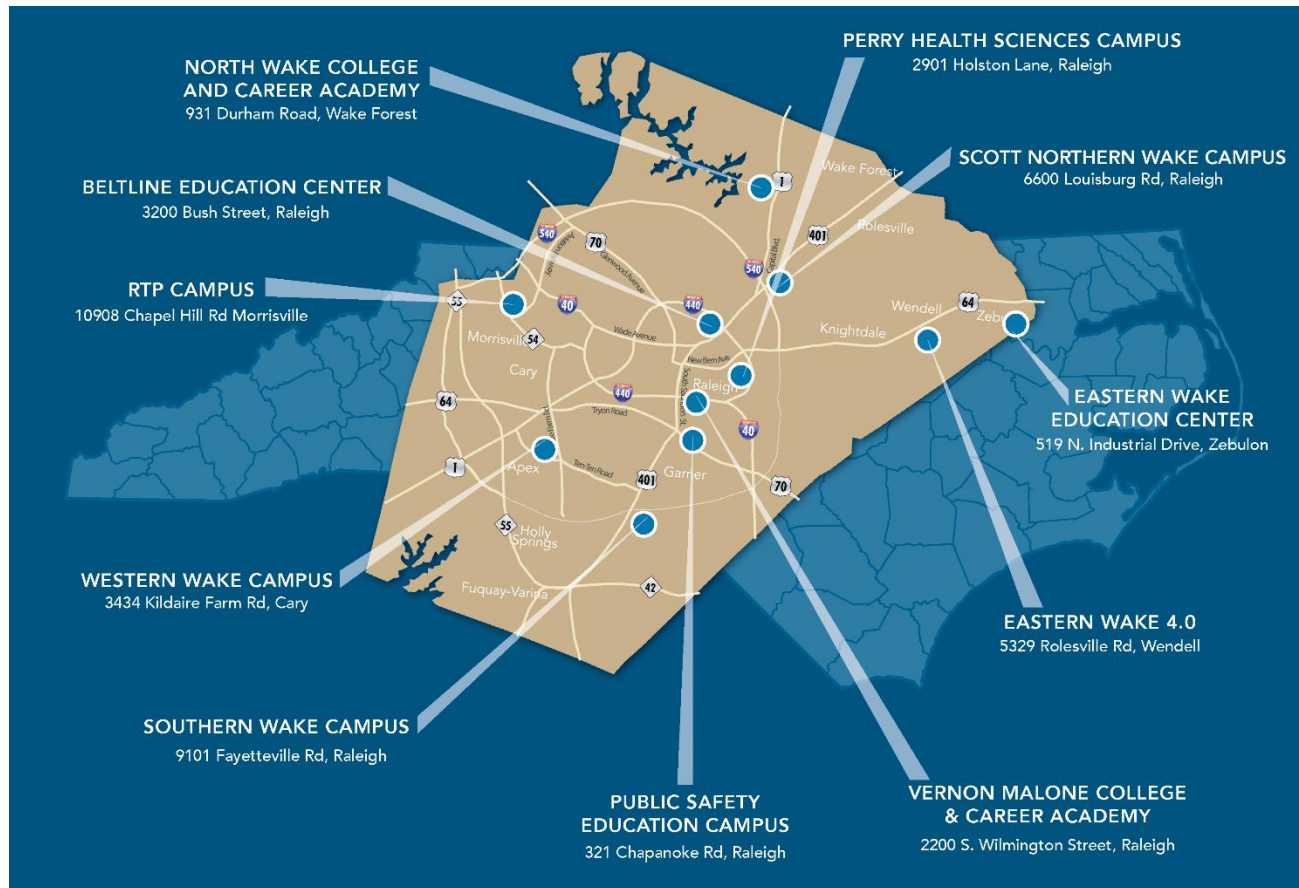
### Bank Provider Selected

In collaboration with its Financial Advisor, the County recently conducted a public RFP process in which banks had the opportunity to submit a proposal to be provider of the 2021 Wake Tech Draw Program. After in depth analysis of all proposals, and the multiple options presented therein, the County awarded the 2021 Wake Tech Draw Program to Truist Bank (through its governmental lending division, STI Institutional & Government, Inc.), submitter of the lowest-cost proposal.

### Wake Tech Proposed CIP Projects for FY 2022 and 2023

Wake Tech CIP Projects	Campus*		FY2022	FY2023	2-yr Total
<b>New Construction &amp; Expansion**</b>					
Public Safety Simulation Complex	EWC	\$	18,162,000	\$ -	\$ 18,162,000
Gen Ed Building 1 & Student Svcs	EWC	\$	49,957,000	\$ 15,552,000	\$ 65,509,000
Technology 4.0 Building	EWC	\$	7,029,000	\$ 48,257,000	\$ 55,286,000
Public Safety Training Area, Phase 1A	EWC	\$	-	\$ 10,807,000	\$ 10,807,000
Land Acquisition	WWC	\$	7,000,000	\$ -	\$ 7,000,000
Gen Ed Building 1 & Student Svcs	WWC	\$	-	\$ 3,000,000	\$ 3,000,000
<b>Subtotal</b>		\$	<b>82,148,000</b>	<b>\$ 77,616,000</b>	<b>\$ 159,764,000</b>
<b>Infrastructure Upgrades</b>					
Mass Notification System	ALL	\$	1,220,000	\$ 1,220,000	\$ 2,440,000
Site Accessibility	ALL	\$	684,000	\$ -	\$ 684,000
Road Construction & Paving - Southern Loop	SWC	\$	250,000	\$ 250,000	\$ 500,000
<b>Subtotal</b>		\$	<b>2,154,000</b>	<b>\$ 1,470,000</b>	<b>\$ 3,624,000</b>
<b>Other Upgrades</b>					
Mechanical Equipment	ALL	\$	4,540,000	\$ 887,000	\$ 5,427,000
Building Automation Controls	ALL	\$	638,000	\$ 638,000	\$ 1,276,000
Electrical Replacement	ALL	\$	1,007,000	\$ 886,000	\$ 1,893,000
<b>Subtotal</b>		\$	<b>6,185,000</b>	<b>\$ 2,411,000</b>	<b>\$ 8,596,000</b>
<b>Minor Capital</b>					
IT Infrastructure	ALL	\$	5,500,000	\$ 5,500,000	\$ 11,000,000
Facility Alterations	ALL	\$	1,000,000	\$ 1,000,000	\$ 2,000,000
Other Minor Capital	ALL	\$	1,000,000	\$ 1,000,000	\$ 2,000,000
<b>Subtotal</b>		\$	<b>7,500,000</b>	<b>\$ 7,500,000</b>	<b>\$ 15,000,000</b>
<b>Total</b>		\$	<b>97,987,000</b>	<b>\$ 88,997,000</b>	<b>\$ 186,984,000</b>
* EWC = East Wake Campus (Wendell); WWC = future West Wake Campus (Apex)					
SWC = South Wake Campus (Raleigh); ALL = all Campuses					
** does not necessarily represent total project cost of respective projects.					

## Wake Tech Campus Locations



## County Funding & Appropriation Timing

Funding Sources & Appropriation Timing	Type	FY2022	FY2023	2-yr Total
County Funding Sources	Cash	\$ 7,500,000	\$ 7,500,000	\$ 15,000,000
	Debt	\$ 90,487,000	\$ 81,497,000	\$ 171,984,000
	<b>Total</b>	<b>\$ 97,987,000</b>	<b>\$ 88,997,000</b>	<b>\$ 186,984,000</b>
BOC Action to Appropriate Funding	Cash	June 2021	June 2022	
	Debt	August 2021	August 2022	

Debt Funding Needed for FY2022 and FY2023: \$171,984,000  
Excess Authorization Under Existing 2019B GO BAN: (\$ 84,000)  
 Revised Debt Funding Needed for FY2022 and FY2023: \$171,900,000

## Planned Future Bond Take-Outs

The planned GO take-outs to permanently finance drawn amounts under the 2021 Wake Tech Draw Program are currently anticipated to occur in Spring 2022, Spring 2023, Spring 2024, and Spring 2025.

## **Remaining Steps and Proposed Board Action**

The proposed action is the only required action for authorization of the 2021 Wake Tech Draw Program. The Local Government Commission will consider authorization of the 2021 Wake Tech Draw Program at their August 3, 2021 regular meeting and the closing of the 2021 Wake Tech Draw Program will take place August 10, 2021. The Board is scheduled to consider the FY 2022 appropriation of Wake Tech capital projects (to be funded by 2021 Wake Tech Draw Program) at its August 16, 2021 Board meeting. At that time Wake Tech staff will give a Board presentation to summarize status of the \$349 million of projects funded under the 2018 Wake Tech Referendum and answer any related Board questions on the Wake Tech projects.

At this time, the Board of Commissioners is asked to adopt the authorizing resolution providing for the issuance of a General Obligation Community College Bond Anticipation Note, Series 2021 in an amount not to exceed \$171,900,000.

### **Attachment:**

1. Board Authorizing Resolution – 2021 Wake Tech Draw Program