

2012 – 2021 Major Capital Improvements Program - Future Projects Forsyth County, North Carolina

The Forsyth County Major Capital Improvements Program (CIP) is the result of an ongoing process by County officials to assess the need for major capital expenditures, feasibility of funding these projects, and establish an orderly plan for implementing these projects.

The total Plan is much longer, and includes detailed pages for each project. Included herein are the summary pages of the Plan. The Plan contained herein is not yet an approved Plan. Final approval of any plan or project is subject to subsequent action by the Board of Commissioners.

Some of the projects contemplated in this plan require long-term financing. Long before the November 2006 bond referendum for the Schools and FTCC, the County Commissioners had an informal policy goal of capping our annual debt service at 10% of the budget for that year. The Commissioners gave their approval of sending the November 2006 bond referendum (\$275 million) to the people for a vote, knowing that the required debt service would exceed the 10% limit if approved. The table below shows the current debt service (which includes the November 2006 debt service) peaking in FY 2012 at 12.9%. The additional debt service required for additional possible projects in the Plan in the future pushes this percentage higher, reaching a maximum of 13.3% in FY 2019. The policy of keeping debt service at less than a specified percent of the budget can greatly influence the timing and/or the amount of funding for a project, as well as the method of funding.

FY	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Existing:	13.5%	12.9%	12.0%	11.7%	10.4%	9.6%	8.9%	8.0%	7.5%	6.7%	6.2%
Existing + proposed CIP	13.5%	12.9%	12.5%	12.6%	11.3%	11.5%	12.1%	13.0%	13.3%	13.4%	12.9%

The CIP is reviewed by the Commissioners periodically, usually twice a year, once at the annual Commissioners' Planning Workshop, and then again during their annual budget deliberations. The most recent discussion occurred in February 2011 at their annual Planning Workshop.

The following pages include:

- Summary of all projects considered, & a description of projects included in the Plan;
- A summary of the estimated timing of project construction;
- Annual General Fund needs to support these projects, on a project by project basis. ***The annual needs include any costs which will impact the General Fund. Annual needs include debt service, & all related operating costs of the project once complete, i.e., personnel, utilities, etc.***

Major Capital Improvements Programs (Contd.)

Key points of the Capital Plan include:

Source of Funding for Included Projects

GO Bonds	242,250,000
Limited Obligation Bonds	128,240,000
Short Term Financing	2,400,000
2/3rds Bonds	60,250,000
Pay Go	1,902,000
Sale of Assets	<u>17,000,000</u>
Total	452,042,000

School Projects

The amount included in the Plan for the Winston-Salem/Forsyth County Schools is \$190,250,000. A successful referendum in the fall of 2016 is assumed for the difference (\$210,700,000) between the total request of the Schools as indicated 3 years ago and the amount ultimately included and approved in the bond referendum in November, 2006 (\$250 million). This plan assumes \$190,250,000 of bonds would be issued during the planning period. The remaining \$20,450,000 will be spent in FY 2022. The related operating costs (salaries, utilities, etc.) as well as debt are shown below and are also included in the Net Annual County Dollar Requirements page.

Details for the affected years:

Schools

	FY	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Service	\$2,866,506	6,859,892	8,775,131	10,691,307	13,269,141	12,914,160	
Relating Operating Cost		704,687	2,044,789	2,623,676	2,689,268	3,461,187	
Total Impact on General Fd	<u>\$2,866,506</u>	<u>7,564,579</u>	<u>10,819,920</u>	<u>13,314,983</u>	<u>15,958,409</u>	<u>16,375,347</u>	

Schools Capital Maintenance Plan

The amount included in the plan for Capital Maintenance of facilities is \$32,500,000. This amount will be funded through the use of 2/3rds Bonds. It was determined that a plan needed to be established to maintain facilities currently in the system.

	FY	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Service	693,940	673,400	1,347,190	1,305,850	1,969,890	1,907,750	2,552,290	2,470,650	

Major Capital Improvements Programs (Contd.)

Non-School Projects

Forsyth Technical Community College (FTCC).

This CIP assumes projects totaling \$52.5 million. FTCC requested funding of \$8 million for the Main Campus Renovation, \$4.4 million for a 20,000 square foot addition at the Northwest campus for classroom space, computer labs, nursing labs, biology labs, etc., \$17.6 million for a new campus in the western part of Forsyth County for classrooms, computer labs, nursing labs, biology labs, early childhood labs, continuing ed. classrooms, etc. Funding is also included for \$17 million for new research park building and parking deck for biotech and nanotech labs, computer classrooms and offices. \$5 million is authorized but not issued from the 2009 Educational Facilities CPO in FY 12. Funding requirements are as follows:

FY	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Service	\$972,244	942,340	2,800,176	2,714,480	3,492,400	3,381,720
Related Operating Costs		121,000	124,025	611,126	626,404	642,064
Total Impact on General Fd	<u>\$972,244</u>	<u>1,063,340</u>	<u>2,924,201</u>	<u>3,325,606</u>	<u>4,118,804</u>	<u>4,023,784</u>

Forsyth Technical Community College (FTCC) Capital Maintenance

The amount included for Capital Maintenance of facilities is \$2,300,000. This amount will be funded through the use of 2/3rds Bonds. It was determined that funds are needed to be established to maintain facilities currently in the system.

FY	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Service	245,548	238,280	476,698	462,070	697,038	675,050	903,118	874,230

Justice System. Additional space for the Justice System will be needed in the foreseeable future, and \$82.34 million of the total project cost of \$92 million is included for this purpose in FY 2016. This includes additional space next to the existing Hall of Justice \$72.68 million, as well as renovations to the existing Hall of Justice \$19.32 million. Proposed funding will be with Limited Obligation Bonds.

FY	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Service	1,601,400	4,632,958	7,574,282	7,345,744	7,141,552
Relating Operating Cost	-	-	2,229,211	2,296,087	2,364,970
Total Impact on General Fund	<u>1,601,400</u>	<u>4,632,958</u>	<u>9,803,493</u>	<u>9,641,831</u>	<u>9,506,522</u>

Major Capital Improvements Programs (Contd.)

HOJ Renovations. The Hall of Justice is in need of some renovations such as window replacements. This project will supplement the major renovations included in the Justice System Project. The amount included for these renovations is \$2.5 million in 2/3rds Bonds.

FY	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Service	133,450	129,500	259,075	251,125	245,375	237,375	231,750	224,000

Library Facilities. The Library System is in need of some major replacements and renovations. There was a successful bond referendum in FY 2011. This plan does not include any debt related to this project. Additional discussion and planning were requested by the Forsyth County Board of Commissioners.

Park System Development. \$ 2 million in various park improvements or repairs is assumed to be funded through 2/3rds Bonds in FY 2013 and alternating years going forward. There may be additional operating costs, but they have yet to be identified.

FY	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Service	213,520	207,200	414,520	401,800	606,120	587,000	785,320	760,200
Total Impact on General Fd	<u>213,520</u>	<u>207,200</u>	<u>414,520</u>	<u>401,800</u>	<u>606,120</u>	<u>587,000</u>	<u>785,320</u>	<u>760,200</u>

Phillips Building Phase I. This project is an adaptive reuse of a building which is in close proximity to the existing Jail. The space currently occupied by the Sheriff is becoming inadequate due to additional staff added over the years. The proposed use of the building in phase I will be to move Sheriff Administration from its existing location. This phase has a projected budget of \$34.5 million and began in FY 10.

Debt Service

FY	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>FY 2021</u>
	2,081,820	2,020,200	1,959,750	1,897,350	1,868,100	1,805,700	1,747,200	1,688,700	1,630,200

Phillips Building Phase II. This project is an adaptive reuse of a building which is in close proximity to the existing Jail. The County is planning for additional jail space in the upper floors of the building for phase II. This cost has a projected at \$26.4 million and funded with Limited Obligation Bonds. This phase is not projected to start until FY 2020.

FY	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Service	-	-	-	-	-	-	-	-	1,409,232

Major Capital Improvements Programs (Contd.)

Public Safety – Renovate Youth Detention Center. The existing facility was built in 1962, and is in need of renovations. This plan assumes some renovations in FY 2017 for \$1.25 million in 2/3rds Bonds.

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Debt Service	\$ 133,450	129,500	125,625	121,625
Total	<u>\$ 133,450</u>	<u>129,500</u>	<u>125,625</u>	<u>121,625</u>

Public Safety – Emergency Services Renovations. This project would renovate and improve the Fairchild Fire Facility and outlying stations. The renovations would begin in FY 2019 and continue in through FY 2021 for \$2.5 million in 2/3rds Bonds. Debt Service is shown below and there may be additional operating costs, but they have yet to be identified.

FY	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Service	-	-	-	-	-	-	133,450	129,500

Information Systems. This category includes projects to be funded with short term financing (5 years) or possibly PayGo funds. Specific projects include replacement of network switches and the replacing the storage area network in FY 2015 and FY 2020 \$2.4 million per replacement cycle. No additional related operating costs are expected.

FY	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>FY 2021</u>
Debt Service			277,170	277,170	277,170	277,170	277,170	277,170	277,170

Public Health Expansion or Renovation. With the rapid expansion of WIC, and the natural growth of other Public Health services, the existing Public Health Building is becoming too crowded. \$1.5 million is included for the expansion or renovation of the building in FY 2015. Also, the Cleveland Avenue Dental Center lease will be up in FY 2014. The building can be purchase at that time for \$402,000. This plan assumes the purchase. Source of funding is assumed to be PayGo. Any additional related operating costs have not been estimated, but should be minimal.

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
PayGo	\$ -	-	-	402,000	1,500,000

Major Capital Improvements Programs (Contd.)

Park Land Long Range Plan and Acquisition. This project assumes in FY 2015 (\$15 million) the acquisition of park land by exchanging or selling of existing assets to fund the acquisition per the Parks and Recreation Long Range Strategic Plan. There is a revenue offset (\$15 million) and the additional operating expenses have not been determined at this time.

	<u>FY 2014</u>	<u>FY 2015</u>
Current Outlay	0	15,000,000
Sale of Assets (Revenue Offset)		<u>(15,000,000)</u>
Total		0

Human Services Campus Land Acquisition and Future Needs This project is still in the development stages but assumes the acquisition of land by exchanging or selling of existing assets in FY 2015 (\$2 million) to fund the acquisition. There is a revenue offset (\$2 million) and the additional operating expenses have not been determined at this time.

	<u>FY 2014</u>	<u>FY 2015</u>
Current Outlay	0	2,000,000
Sale of Assets (Revenue Offset)		<u>(2,000,000)</u>
Total		0