

2013 – 2022 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 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. On September 12, 2011, the Board of Commissioners voted to employ formal debt policy for the County. The policy limits the total annual debt service, less revenues restricted to debt service (including but not limited to, federal payments related to “Build America Bonds” and “Qualified School Construction Bonds” and State lottery proceeds) to 15% of the appropriations in the annually adopted budgets as shown in the budget ordinance. The Capital Improvement Plan as shown in the following pages attempts to maintain this policy; however, because some of the projects out in FY 2017 and beyond moves the debt percentage above 15%, this plan will have to be modified to adhere to the policy. A major caveat to the debt policy is that the percentage is a function of numerator over denominator, therefore if the budget does not increase so that the denominator increases, there will be very difficult decisions on what projects can be accommodated to keep the debt policy relevant.

The table below shows the current existing debt service, excluding revenue, hitting the debt limit in FY 2019 at 15.8%. The additional debt service required for additional projects in the Plan moves the percentage to the limit in FY 2014. Again, these percentages are based upon the expenditure projections outlined on page 14. In order to maintain the integrity of the formal debt policy, changes in the proposed plan will have to be made prior to embarking on any projects.

In addition, if the total appropriations increase at a greater rate than projected, these percentages will lower as well. In FY 2018 under the proposed CIP + Existing debt, an Education Debt Leveling Plan has not been assumed for two education bonds (one for Forsyth Technical Community College and one for the WS/FC Schools) currently being proposed for November 2016.

Long Term Debt Service as a percent of budget:										
<u>Fiscal Year</u>	<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>	<u>2022</u>
Existing:	14.2%	14.5%	13.5%	13.7%	13.3%	14.4%	15.8%	16.1%	16.3%	20.2%
Existing + proposed CIP	14.2%	15.7%	15.0%	15.9%	15.8%	19.1%	22.6%	23.8%	24.7%	33.2%

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 2012 during the strategic planning session for the FY 2013 budget.

The following pages include:

- Summary of all projects considered and 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. Annual needs include any costs which will impact the General Fund. Annual needs include debt service and 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	245,400,000
Limited Obligation Bonds	118,400,000
Short Term Financing	4,700,000
2/3rds Bonds	67,750,000
Pay Go	1,902,000
Sale of Assets	<u>17,000,000</u>
Total	<u>\$455,152,000</u>

Main Library and Other Renovations

\$40 million for library projects was approved by referendum in November of 2010. \$28 million has been assumed for the replacement or renovation of the Main Library and minor renovations to other branches in the system. Pay-as-you-go funds are assumed for planning and design. Construction is assumed for FY 2015.

<u>Fiscal Year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Service	2,989,280	2,900,800	2,814,000	2,724,400	2,682,400	2,592,800	2,508,800

Kernersville and Clemmons Libraries

\$40 million for library projects was approved by referendum in November of 2010. \$12 million has been assumed for the replacement of the Kernersville and Clemmons branches. Construction is assumed for FY 2017.

<u>Fiscal Year</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Service	1,281,120	1,243,200	1,206,000	1,167,600	1,149,600

School Projects

The amount included in the Plan for the Winston-Salem/Forsyth County Schools is \$170,400,000. 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 in 2006 and the amount ultimately included and approved in the bond referendum in November 2006 (\$250 million). This plan assumes \$170,400,000 of bonds would be issued during the planning period. The remaining \$40,300,000 would be issued after 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.

<u>Fiscal Year</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Service	\$2,866,506	\$6,859,892	\$8,775,131	\$10,691,307	\$31,994,720
Relating Operating Cost	704,687	2,044,789	2,623,676	3,393,955	4,801,289
Total Impact on General Fund	<u>\$3,571,193</u>	<u>\$8,904,681</u>	<u>\$11,398,807</u>	<u>\$14,085,262</u>	<u>\$36,796,009</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.

Major Capital Improvements Programs (Contd.)

<u>Fiscal Year</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>	<u>2022</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	3,095,690

Forsyth Technical Community College (FTCC).

This CIP assumes projects totaling \$35.0 million. FTCC requested a total of \$52 million with 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 of \$17 million for a new research park building and parking deck for biotech and nanotech labs computer classrooms and offices are outside the planning period. \$5 million is authorized but not issued until FY 2013 from the 2009 Educational Facilities CPO. Funding requirements are as follows:

FTCC Projects

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Debt Service	-	533,800	518,000	502,500	486,500
Related Operating Costs	595,825	2,087,021	2,462,596	2,524,161	2,587,265
Total Impact on General Fund	<u>\$595,825</u>	<u>2,620,821</u>	<u>2,980,596</u>	<u>3,026,661</u>	<u>3,073,765</u>

FTCC Projects

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Debt Service	948,744	918,840	2,769,176	2,684,480	3,462,400
Related Operating Costs	2,651,947	2,839,245	2,910,226	3,481,382	3,568,417
Total Impact on General Fund	<u>3,600,691</u>	<u>3,758,085</u>	<u>5,679,402</u>	<u>6,165,862</u>	<u>7,030,817</u>

Forsyth Technical Community College (FTCC) Capital Maintenance.

The amount included for Capital Maintenance of facilities is \$11,500,000. This amount will be funded through the use of 2/3rds Bonds with \$2.3 million provided every other year. It was determined that funds are needed to be established to maintain facilities currently in the system.

<u>Fiscal Year</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>	<u>2022</u>
Debt Service	245,548	238,280	476,698	462,070	697,038	675,050	903,118	874,230	1,095,398

Justice System. Additional space for the Justice System will be needed in the foreseeable future. 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.

<u>Fiscal Year</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Service	\$ 1,601,400	4,632,958	7,574,282	7,345,744	7,141,552	7,989,306
Relating Operating Cost			2,229,211	2,296,087	2,364,970	2,435,919
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>	<u>10,425,225</u>

Major Capital Improvements Programs (Contd.)

HOJ Renovations. The Hall of Justice is in need of 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.

<u>Fiscal Year</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>	<u>2022</u>
Debt Service	133,450	129,500	259,075	251,125	245,375	237,375	231,750	224,000	216,500

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

<u>Fiscal Year</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>	<u>2022</u>
Debt Service	213,520	207,200	414,520	401,800	606,120	587,000	785,320	760,200	952,520
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>	<u>952,520</u>

County General Capital Maintenance \$1.5 million in various repairs of County buildings is assumed to be funded with 2/3rds Bond capacity in FY 2013 and alternating years going forward.

<u>Fiscal Year</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>	<u>2022</u>
Debt Service	160,140	155,400	310,890	301,350	454,590	440,250	588,990	570,150	714,390

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 is projected at \$26.4 million and funded with Limited Obligation Bonds. This phase is not projected to start until FY 2020.

<u>Fiscal Year</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Service	-	1,409,232	2,776,752	

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 of \$1.25 million in 2/3rds Bonds.

<u>Fiscal Year</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Service	\$133,450	\$129,500	\$125,625	\$121,625	\$119,750

Public Safety – Emergency Services Renovations. This project would renovate and improve the Fairchild Fire Facility and outlying Fire/EMS 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 but there may be additional operating costs yet to be identified.

<u>Fiscal Year</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Service	133,450	129,500	259,075

Major Capital Improvements Programs (Contd.)

Information Systems. This category includes projects to be funded with short term financing (5 years) or possibly PayGo funds. Specific projects include replacement of tax software, data backup systems, network switches and replacing the storage area network. These projects will begin in FY 2013 and will continue per normal replacement cycles.

<u>Fiscal Year</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>	<u>2022</u>
Debt Service	277,170	473,498	554,340	727,571	866,155	727,571	612,083	531,242	358,011

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 overcrowded. \$1.5 million is included for the expansion or renovation of the building in FY 2015. Also, the Cleveland Avenue Dental Center lease will expire in FY 2014. The building can be purchased 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>Fiscal Year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Pay Go	0	402,000	1,500,000

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