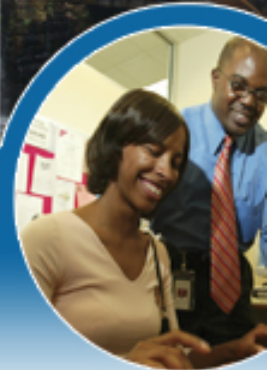


Strategies to Meet School Capital Needs

Joe Durham

Wake County Deputy Manager

August 30, 2006



Wake County Population Estimates

1980	301,429
2005	749,989
Increase	448,560
Percentage	149%

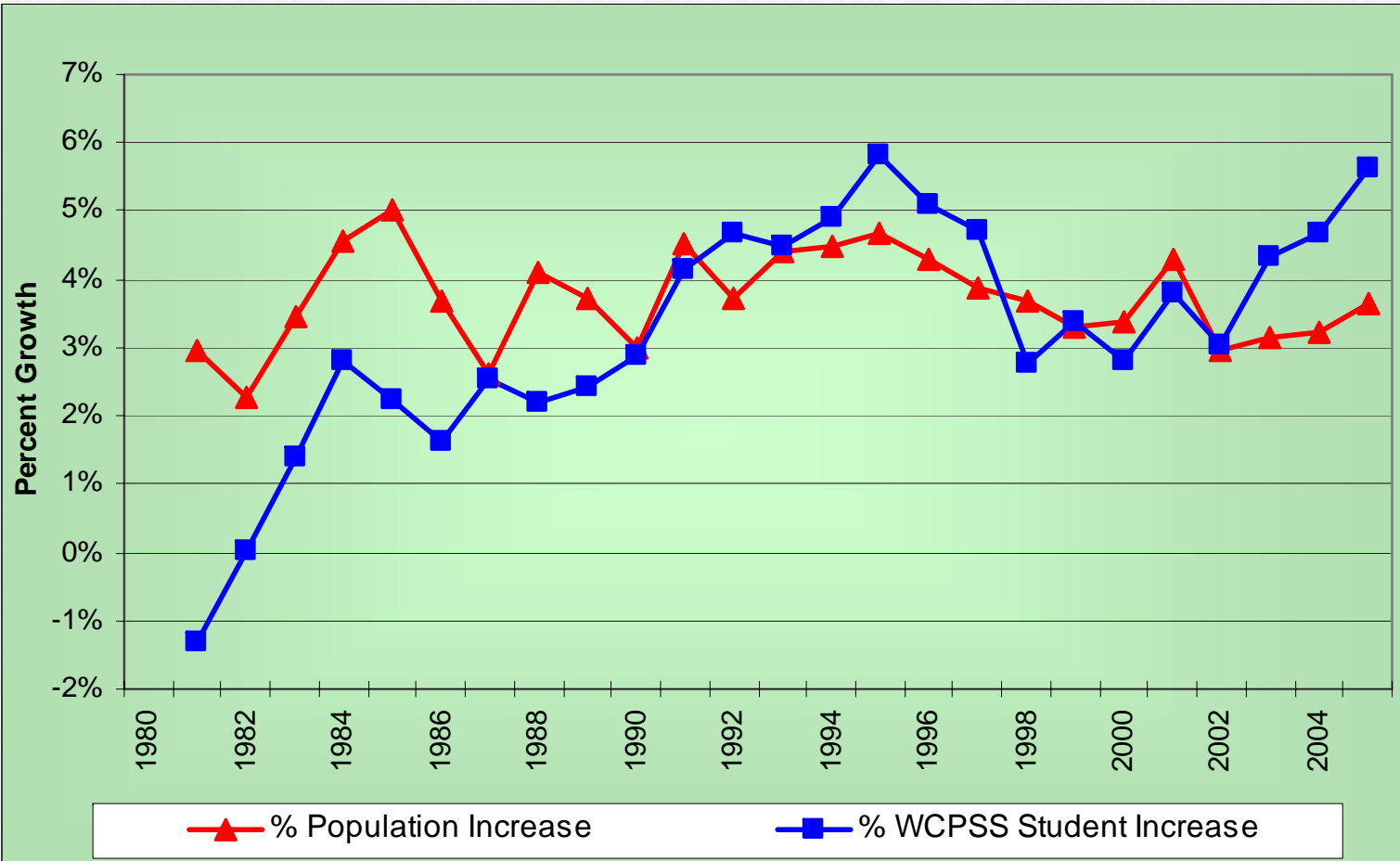


WCPSS Enrollment

1980	54,431
2005	120,504
Increase	66,073
Percentage	121%



Student and Population Growth



Population Projections



Leadership Partnership Stewardship

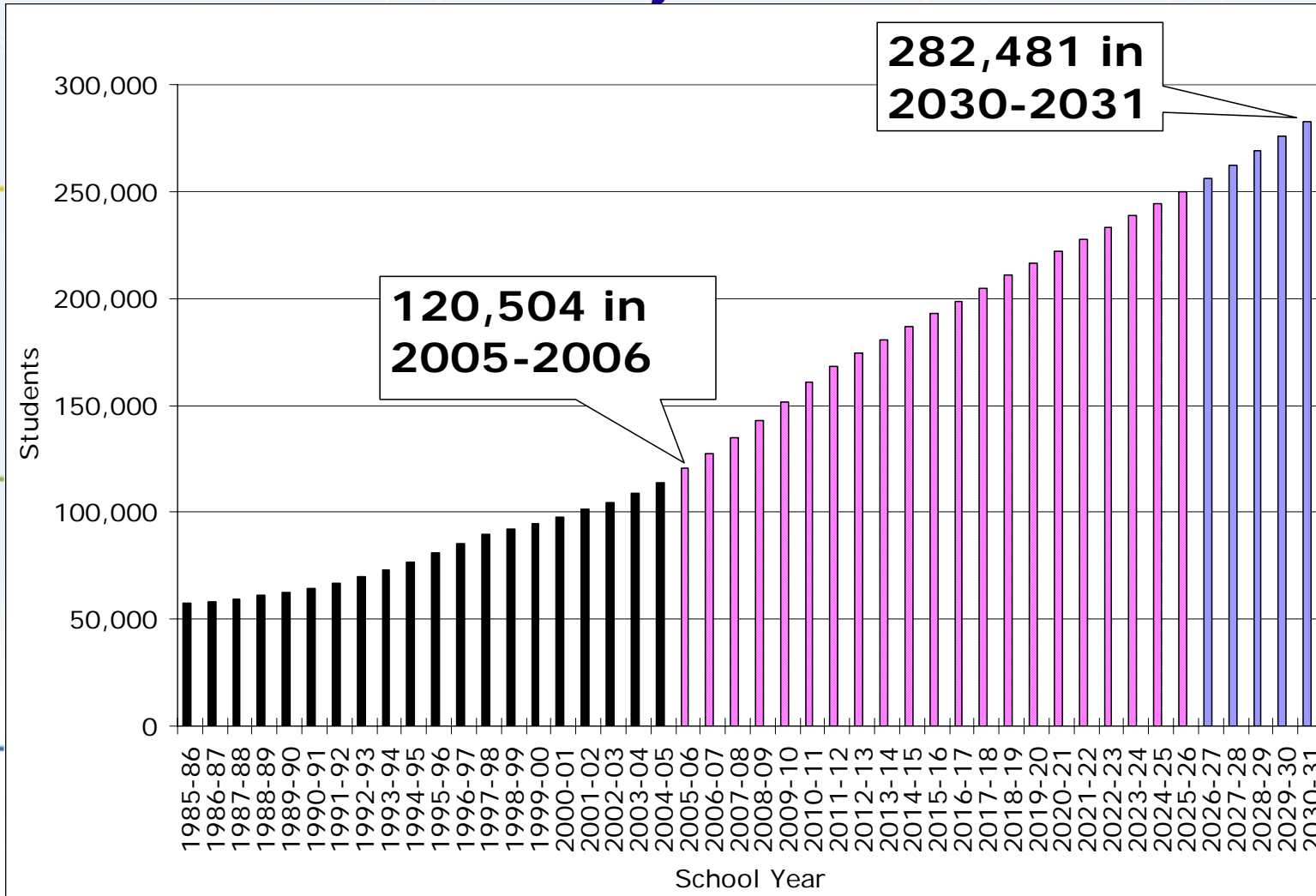
Projected population is equivalent to these current populations:
(indicates County)

- Sacramento** **1.35M**
(Sacramento)
- Dallas** **1.16M**
(Collin & Denton)
- Atlanta** **1.49M**
(Fulton & DeKalb)
- Austin** **1.19M**
(Travis & Williamson)
- Washington, D.C.** **1.00M**
(Fairfax)

Wake County Population Estimates	
2005	749,989
2030	1,384,019
Increase	634,030
Percentage	85%



Education – WCPSS Projections



Wake County Today

- ➔ 68 new people everyday (*average*)
- ➔ 1,000 new residential building permits each month
- ➔ More than 6,000 new WCPSS students each year
- ➔ 27 acres of land converted from a natural state to human-built environment every 24 hours



Wake County Tomorrow

Projecting the Future: Planning for Continued Success

- ➔ We will continue to attract “good jobs”
- ➔ Job growth will continue to outpace the state and nation
- ➔ Our population growth will continue



Wake County Capital Finance

- ➔ Long-range plan to finance capital infrastructure including schools
- ➔ Policies and targets to maintain AAA bond rating:
 - Dedicated revenue streams
 - 80% Debt Funding; 20% cash
 - Repayment schedules and Fund Balances



Dedicated Revenue Streams

➔ Sales Tax

- Total funds in 2007: \$19 million

➔ Property Tax

- Of the 63.4 cents property tax rate, 16.5 cents is dedicated to capital and debt service (1 penny - \$7.6 million)

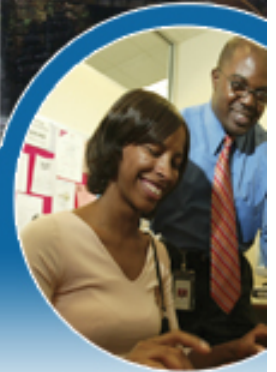
➔ Lottery Proceeds

- Using the State's projections for lottery revenue, FY 2007 estimate is \$9 million



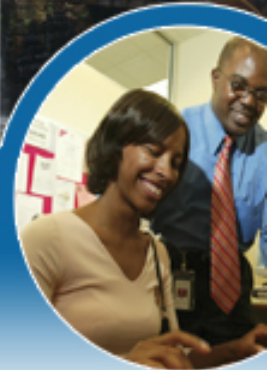
Financing the FY 2007-2009 School Capital Plan

Total Plan	\$1,056,000,000
Cash Funding	<u>86,000,000</u>
Bond Amount	\$ 970,000,000



General Obligation Bonds: \$970 million

- ➔ Repayment over 20 years
- ➔ Average Maturities of approximately 12 years
- ➔ Most cost effective way to pay for debt



Property Tax Impact of Bonds

- ➔ The capital funding portion of the school plan will require a tax increase of 2.7 cents
- ➔ Operating impact of plan requires a tax increase of 2.0 cents
- ➔ Total impact: Tax increase of 4.7 cents



Strategies

- ➔ **Community Use of Schools, Joint Development Agreements, Joint Purchases**
- ➔ **Conversion of Traditional Calendar Schools to Year-Round**
- ➔ **Use of non traditional buildings (shopping centers, industrial buildings)**



Strategies

- ➔ **Citizens Facilities Advisory Committee
(Hiring a consultant)**
- ➔ **Joint Board of Commissioners/Board of
Education Development of Building
Assumptions**
- ➔ **Financial Modeling – Long Term Capital
Planning**



Strategies

- ➔ Student Enrollment Models, Models for Forecasting Growth
- ➔ Alternative Project Delivery Methods
- ➔ Use of Modular Schools
- ➔ Maximize Utilization of Space

