

# Public Policy Workshop

April 9, 2024

## TODAY'S AGENDA

- CIP Funding Capacity
- FY2029 Project Requests
- FY2029 Projects Recommended for Funding

# CIP Funding Capacity

Updates to the Long Range Planning Model:

- 6/30/2023 year end results
- Updated projected project cashflows
- Sizing and timing of debt issuance
- Revenue Assumptions
- Establish Baseline Capacity

# FY2029 CIP Capacity

Projected spending- projects currently approved/underway

| Projected CIP Spend by Fiscal Year |             |             |             |             |             |             |             |             |            |           |               |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|-----------|---------------|
| Department                         | FY2024      | FY2025      | FY2026      | FY2027      | FY2028      | FY2029      | FY2030      | FY2031      | FY2032     | FY2033    | Total         |
| AFM                                | 77,112,439  | 159,202,344 | 262,391,883 | 105,466,969 | 32,532,019  | 146,329,231 | 82,629,395  | -           | -          | -         | 865,664,280   |
| CPC                                | 9,875,923   | 64,979,047  | 44,024,407  | 17,320,028  | 1,130,248   | 9,853,700   | 25,246,643  | -           | -          | -         | 172,429,995   |
| LIB                                | 90,942,427  | 125,841,034 | 41,470,127  | 28,192,100  | 30,681,697  | 8,647,096   | -           | -           | -          | -         | 325,774,481   |
| PRK                                | 80,872,719  | 104,958,184 | 76,403,958  | 88,973,606  | 85,920,987  | 45,967,948  | 42,694,304  | 11,272,063  | -          | -         | 537,063,767   |
|                                    |             |             |             |             |             |             |             |             |            |           |               |
| Non-CMS total                      | 258,803,507 | 454,980,608 | 424,290,375 | 239,952,703 | 150,264,950 | 210,797,974 | 150,570,342 | 11,272,063  | -          |           | 1,900,932,522 |
|                                    |             |             |             |             |             |             |             |             |            |           |               |
| CMS                                | 200,410,422 | 114,892,493 | 154,297,667 | 365,641,498 | 505,589,313 | 503,774,485 | 480,371,341 | 305,046,552 | 83,753,723 | 1,005,968 | 2,714,783,463 |
|                                    |             |             |             |             |             |             |             |             |            |           |               |
| Total including CMS                | 459,213,929 | 569,873,102 | 578,588,042 | 605,594,201 | 655,854,264 | 714,572,460 | 630,941,683 | 316,318,615 | 83,753,723 | 1,005,968 | 4,615,715,985 |

# FY2029 Funding Capacity- Baseline Assumptions



No additional tax increases

Tax increases are anticipated to fund the FY2024-2028 CIP:

- 1 cent in FY2025
- 2 cents in FY2028
- 1 cent in FY2029



No use of fund balance

# Requested Revisions to FY2024-2028 Projects

| Dept             | Project                                                           | Original Cost  | New Cost       | Net change           |
|------------------|-------------------------------------------------------------------|----------------|----------------|----------------------|
| AFM              | East - Community Resource Center                                  | \$ 222,985,577 | \$ 151,292,425 | \$ (71,693,152)      |
| AFM              | David Taylor Drive - Lease Upfit                                  | \$ -           | \$ 866,543     | \$ 866,543           |
| AFM              | Kuralt - Renovation                                               | \$ -           | \$ 76,187,187  | \$ 76,187,187        |
| AFM              | New Lease Upfit   Kuralt Staff Temporary Relocation               | \$ -           | \$ 3,409,539   | \$ 3,409,539         |
| AFM              | VCW - Suite 1800 Upfit                                            | \$ -           | \$ 918,992     | \$ 918,992           |
| AFM              | 7th & Tryon Re-development Project Design and Site work           | \$ -           | \$ 16,516,730  | \$ 16,516,730        |
| AFM              | 7th and College Parking Structure-                                | \$ -           | \$ 21,170,882  | \$ 21,170,882        |
| <b>Total AFM</b> |                                                                   |                |                | <b>\$ 47,376,721</b> |
| LIB              | Nations Ford Community Library                                    | \$ 21,906,130  | \$ 23,506,670  | \$ 1,600,540         |
| LIB              | Sugar Creek Community Library (relocation/expansion)              | \$ 20,222,484  | \$ 20,918,051  | \$ 695,567           |
| LIB              | West Boulevard Community Library (relocation/expansion)           | \$ 21,603,142  | \$ 22,327,770  | \$ 724,628           |
| LIB              | ImaginOn Library Renovation                                       | \$ 29,922,587  | \$ 31,345,523  | \$ 1,422,936         |
| <b>Total LIB</b> |                                                                   |                |                | <b>\$ 4,443,672</b>  |
| PRK              | McDowell Creek Greenway - Gilead Rd to Beatties Ford Rd/Pamela St | \$ 19,085,860  | \$ 18,386,700  | \$ (699,160)         |
| <b>Total PRK</b> |                                                                   |                |                | <b>\$ (699,160)</b>  |
| <b>Total</b>     |                                                                   |                |                | <b>\$ 51,121,233</b> |

# “NEW” BASELINE CAPACITY

- Capacity for future capital is not just a FY2029 consideration
- Need to maintain capacity for capital beyond FY2029 for future needs
- The FY2024–2028 plan used much of the County’s future debt capacity. Spending at FY2024–2028 levels is not sustainable over the long term



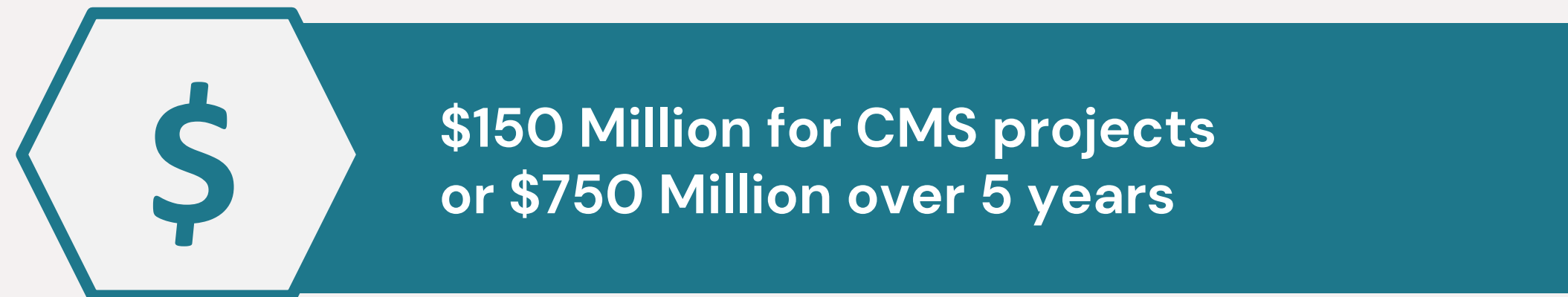
# “NEW” BASELINE CAPACITY

- The new baseline assumes GO Bond funding for CMS needs and Cash/PayGo funding for non-CMS projects beginning with FY2029
- This minimizes the increase in future debt while preserving capacity for unforeseen needs and/or opportunities
- Future capacity will be evaluated annually as part of the 5-Year Rolling CIP process



# “NEW” BASELINE CAPACITY

Sustainable average annual levels for projections beginning in FY2029 and beyond were determined to be:

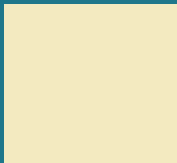


# Current Decisions Affect Future Capacity

Capital needs in future years may exceed \$300M. By funding less than \$300M in a given year, the County will have the capacity to fund larger projects in future years.



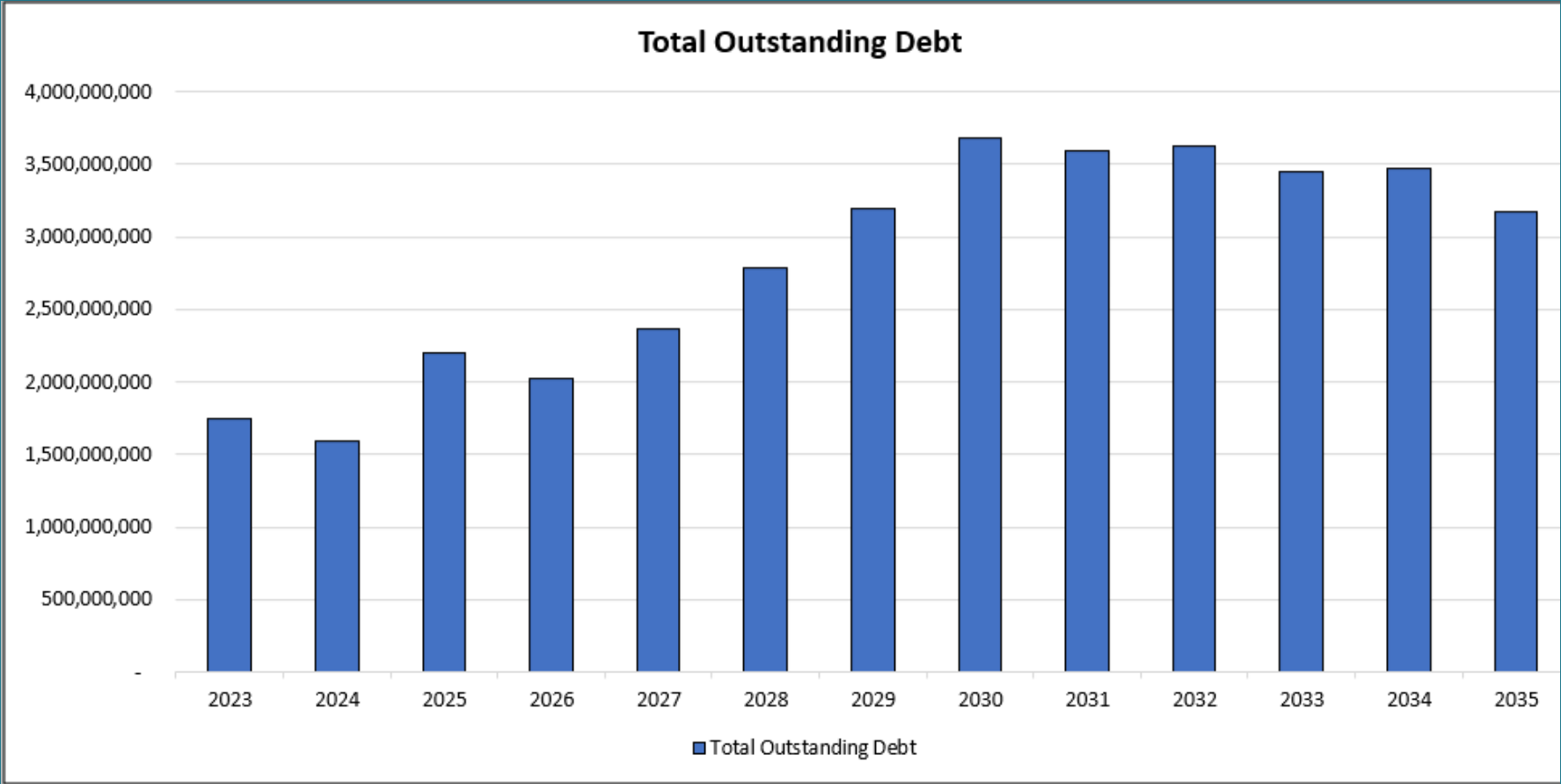
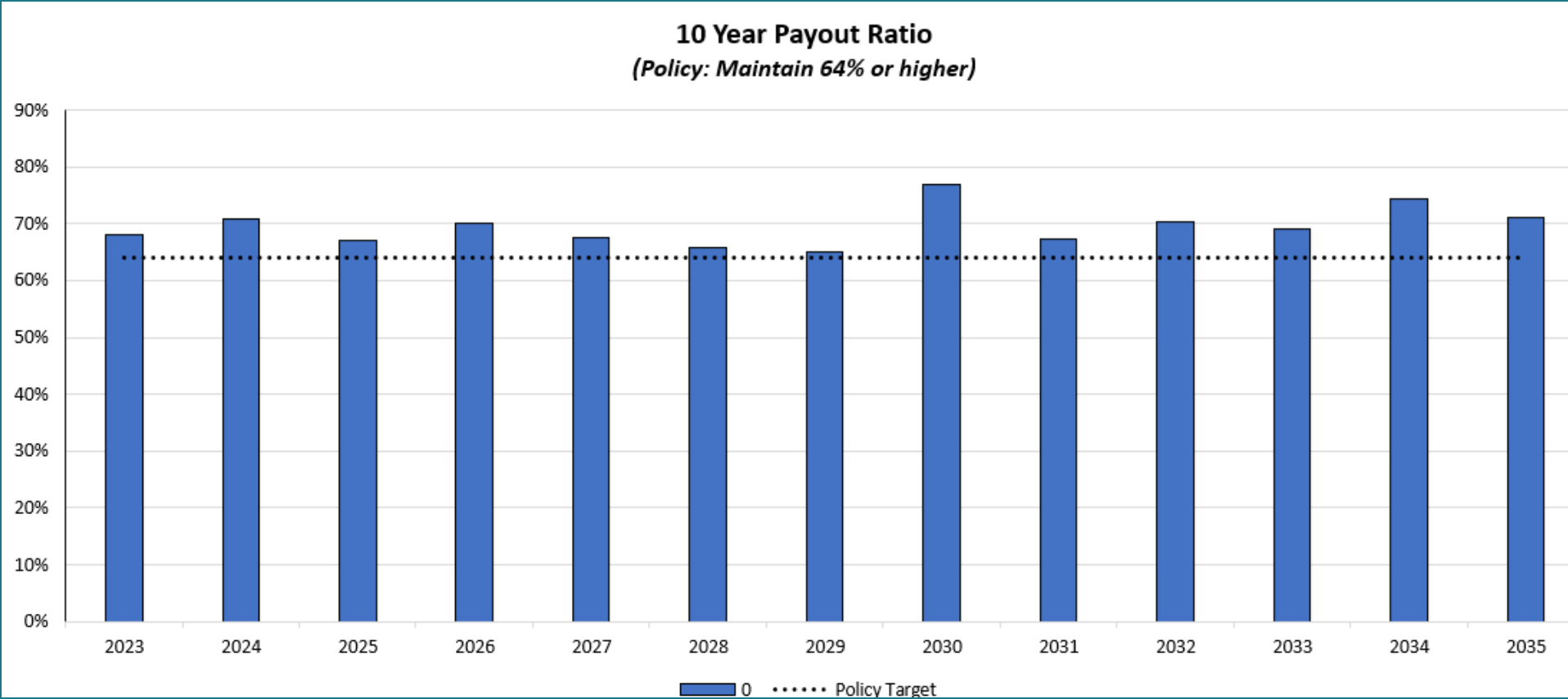
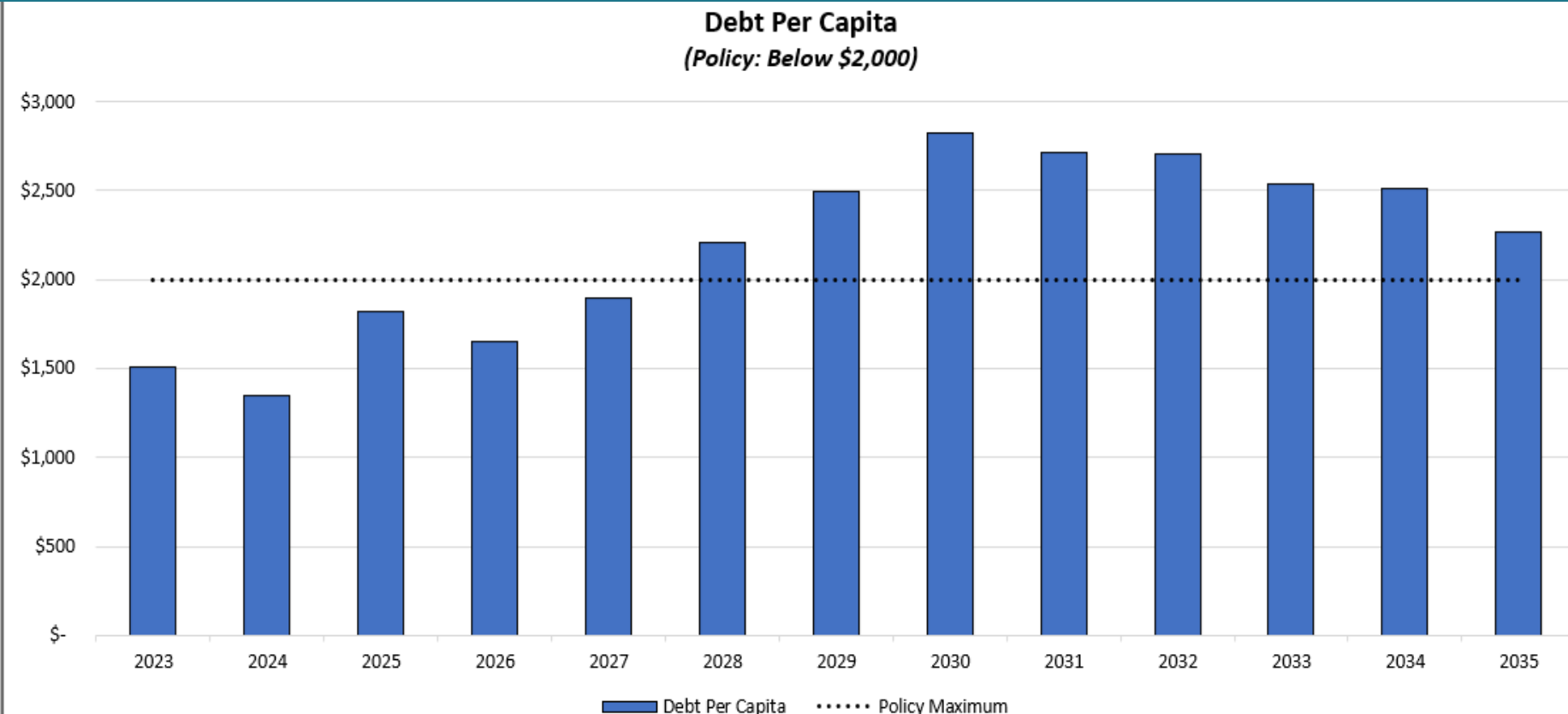
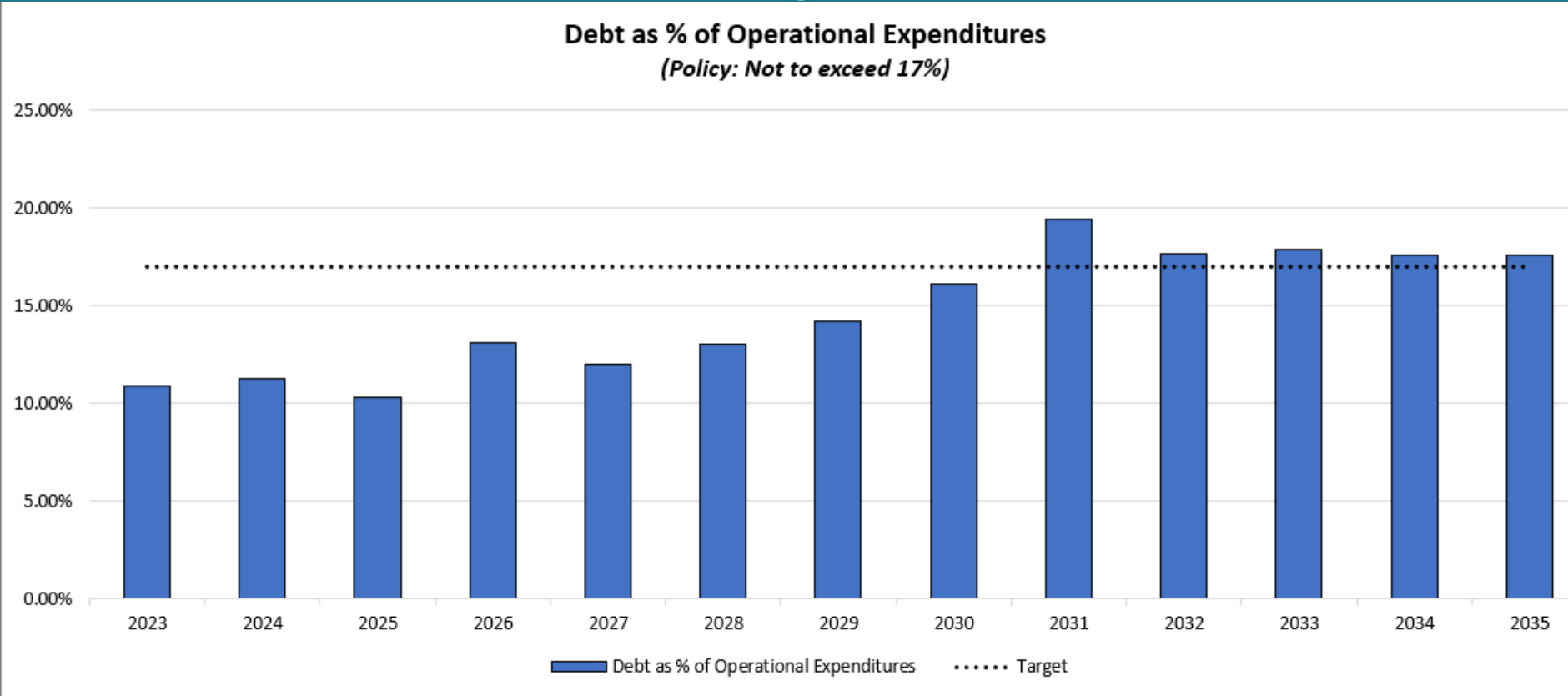
Scenario 1: \$1.5 Billion over 5 years,  
\$300M annual funding



Scenario 2: \$1.5 Billion over 5 years,  
fluctuating annual funding



# Debt Policy Constraints



# FY2029 Project Selection

01

Received project funding requests

- AFM
- CPCC
- Library
- Park
- CMS

02

Evaluated through multiple lenses

- Department rankings
- Citizen's Capital Budget Advisory Committee
- Executive Team
- Financial model review

03

Developed recommendation for funding

# Summary:

## FY2029 New Project Requests

|                                    | Number of | Total Funds        |
|------------------------------------|-----------|--------------------|
| Asset & Facility Management        | 2         | \$ 117,994,152     |
| Charlotte Mecklenburg Library      | 2         | \$ 37,763,319      |
| Central Piedmont Community College | 26        | \$ 274,565,669     |
| Park and Recreation                | 12        | \$ 75,023,086      |
|                                    |           |                    |
| <b>Totals</b>                      | <b>42</b> | <b>505,346,226</b> |
|                                    |           |                    |

# FY2029 CIP Requests

## Asset & Facility Management

| Identifier | Dept                    | Project                                                                 | Escalated Cost |
|------------|-------------------------|-------------------------------------------------------------------------|----------------|
| 1          | AFM                     | Mecklenburg County Courthouse - 7th Floor Partial Courtroom Upfit       | \$ 23,429,615  |
| 2          | AFM                     | Sheriff's Office Jail North Field Ops, Training Academy, & Firing Range | \$ 94,564,537  |
|            |                         |                                                                         |                |
|            | Total AFM FY29 Requests |                                                                         | \$ 117,994,152 |

# FY2029 CIP Requests

## Charlotte Mecklenburg Library

| Identifier | Dept                    | Project                                  | Escalated Cost |
|------------|-------------------------|------------------------------------------|----------------|
| 3          | LIB                     | Independence Regional Library renovation | \$ 7,901,919   |
| 4          | LIB                     | Prosperity Village Community Library     | \$ 29,861,401  |
|            |                         |                                          |                |
|            | Total LIB FY29 Requests |                                          | \$ 37,763,319  |

# FY2029 CIP Requests

## Park & Recreation

| Identifier | Dept                           | Project                                                                 | Escalated Cost       |
|------------|--------------------------------|-------------------------------------------------------------------------|----------------------|
| 5          | PRK                            | Little Sugar Creek Greenway - Parkwood Underpass                        | \$ 267,446           |
| 6          | PRK                            | Irwin Creek Greenway- Clanton Road to Crestridge Drive                  | \$ 10,173,675        |
| 7          | PRK                            | Irwin Creek Gway- Crestridge Drive to Yorkmont Road                     | \$ 8,658,168         |
| 8          | PRK                            | Campbell Creek Park                                                     | \$ 5,001,243         |
| 9          | PRK                            | Derita Park                                                             | \$ 4,690,228         |
| 10         | PRK                            | Julian Underwood Park                                                   | \$ 2,865,859         |
| 11         | PRK                            | Springfield Park                                                        | \$ 6,718,522         |
| 12         | PRK                            | Yorkmont Park                                                           | \$ 2,545,174         |
| 13         | PRK                            | McDowell Creek Gway - Catawba Ave (Smithville Park) to Westmoreland Rd  | \$ 14,149,445        |
| 14         | PRK                            | Wayfinding                                                              | \$ 832,233           |
| 15         | PRK                            | Sugar Creek Greenway- Mounting Rock Road to Arrowood Road- Design Only  | \$ 4,121,093         |
| 16         | PRK                            | Sugar Creek Greenway- Mounting Rock Road to Arrowood Road- Construction | \$ 15,000,000        |
|            |                                |                                                                         |                      |
|            | <b>Total PRK FY29 Requests</b> |                                                                         | <b>\$ 75,023,086</b> |

# FY2029 CIP Requests

## Central Piedmont Community College

| Identifier | Dept | Project                        | Escalated Cost        |
|------------|------|--------------------------------|-----------------------|
| 17         | CPC  | Cato I                         | \$ 6,132,611          |
| 18         | CPC  | Levine I                       | \$ 10,230,738         |
| 19         | CPC  | Claytor                        | \$ 1,570,977          |
| 20         | CPC  | Harper IV                      | \$ 1,110,869          |
| 21         | CPC  | Hall Building                  | \$ 21,860,217         |
| 22         | CPC  | Harper V                       | \$ 141,399,285        |
| 23         | CPC  | Belk Health Careers            | \$ 5,528,820          |
| 24         | CPC  | Belk Criminal Justice          | \$ 3,570,412          |
| 25         | CPC  | Overcash                       | \$ 7,540,956          |
| 26         | CPC  | Giles                          | \$ 12,121,450         |
| 27         | CPC  | Van Every Culinary Arts        | \$ 23,991,137         |
| 28         | CPC  | Campus Arrival Sequence        | \$ 10,139,962         |
| 29         | CPC  | Citizen Center                 | \$ 2,142,321          |
| 30         | CPC  | Harris II                      | \$ 391,719            |
| 31         | CPC  | Campus-wide                    | \$ 712,098            |
| 32         | CPC  | Campus-wide                    | \$ 712,098            |
| 33         | CPC  | Campus-wide                    | \$ 5,822,473          |
| 34         | CPC  | Campus-wide                    | \$ 1,402,884          |
| 35         | CPC  | Campus Core                    | \$ 1,402,884          |
| 36         | CPC  | Campus Core                    | \$ 1,008,333          |
| 37         | CPC  | Lake Loop                      | \$ 4,523,438          |
| 38         | CPC  | Campus Improvements            | \$ 1,182,117          |
| 39         | CPC  | Harris I + II Courtyard        | \$ 3,276,184          |
| 40         | CPC  | Worrell                        | \$ 2,778,054          |
| 41         | CPC  | Transportation Building        | \$ 1,899,954          |
| 42         | CPC  | Levine III                     | \$ 2,113,678          |
|            |      |                                |                       |
|            |      | <b>Total CPC FY29 Requests</b> | <b>\$ 274,565,669</b> |

# FY2029 Recommended Projects

|                                    | Projects | Total Funds   |
|------------------------------------|----------|---------------|
| Asset & Facility Management        | 1        | \$ 23,429,615 |
| Charlotte Mecklenburg Library      | 2        | \$ 37,763,319 |
| Central Piedmont Community College | 4        | \$ 19,045,195 |
| Park and Recreation                | 11       | \$ 60,023,086 |
|                                    |          |               |
| Totals                             | 18       | 140,261,215   |

# FY2029 CIP Requests

## Charlotte Mecklenburg Schools

|                                |                                 |           |                    |
|--------------------------------|---------------------------------|-----------|--------------------|
| CMS                            | E.E.Waddell                     | \$        | 20,471,098         |
| CMS                            | South Charlotte Middle          | \$        | 98,547,433         |
| CMS                            | Cochrane                        | \$        | 98,635,560         |
| CMS                            | Starmount Academy of Excellence | \$        | 76,613,073         |
| CMS                            | Piney Grove Elementary          | \$        | 83,350,953         |
| CMS                            | Rama Road Elementary            | \$        | 77,977,446         |
| CMS                            | Old Providence Elementary       | \$        | 78,011,473         |
| CMS                            | Hidden Valley Elementary        | \$        | 79,365,623         |
|                                |                                 |           |                    |
| <b>Total CMS FY29 Requests</b> |                                 | <b>\$</b> | <b>612,972,658</b> |
|                                |                                 |           |                    |

# FY2029 Recommendation

## Charlotte Mecklenburg Schools

- Reserving dollar amount of capacity vs. approving specific projects
- Constrained certainty: \$150 Million for FY2029 and beyond
- Future referendums: smaller and more frequent

# FY2029 Final Recommendation

|                                           |                    |
|-------------------------------------------|--------------------|
|                                           | <b>Total Funds</b> |
| <b>Revisions to Existing Projects</b>     | \$ 51,121,233      |
|                                           |                    |
| New FY2029 Projects:                      |                    |
| <b>Asset &amp; Facility Management</b>    | \$ 23,429,615      |
| <b>Charlotte Mecklenburg Library</b>      | \$ 37,763,319      |
| <b>Central Piedmont Community College</b> | \$ 19,045,195      |
| <b>Park and Recreation</b>                | \$ 60,023,086      |
| <b>Total</b>                              | <b>140,261,215</b> |
|                                           |                    |
|                                           |                    |
| <b>Charlotte Mecklenburg Schools</b>      | \$ 150,000,000     |



Questions?