

## **FY2004 Adopted Capital Budget**

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## **FY2004 Adopted Capital Improvements**

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### **SECTION 1. INTRODUCTION**

Wake County has a proud legacy of long-term planning and provision of outstanding facilities for its citizens. Over the past twenty years, Wake County has accommodated ever-increasing population growth through prudent renovations of existing facilities and investments in new facilities in anticipation of future needs. Continuing this tradition of excellence, it is important to approach today's capital improvements with an understanding of how they will affect the quality, quantity, and efficiency of services delivered in the future. While growth is a by-product of a healthy and vibrant economy, capital facilities and adequate infrastructure provide a foundation for growth.

When thinking about the capital improvement program, it is often difficult but necessary to look beyond year-to-year operating issues, and focus on laying the groundwork for successful delivery of services for future generations of Wake County citizens. Today's capital improvements will influence the quality and quantity of public services delivered over the next ten to twenty years. The key components of Wake County's capital improvement program (CIP) are that it is 1) long-term oriented, 2) anticipates future needs, and 3) supports good stewardship of existing facilities.

The primary goal of the capital program is to ensure that quality services continue to be delivered to the Wake County citizens in a timely and efficient manner. The County ensures the delivery of effective and efficient services through investments in renovations and new capital improvements that preserve the integrity of facilities, maintain the quality of current fixed assets, and provide new services when needed.

### **SECTION 2. FUNDING OVERVIEW**

#### **Parameters and Policies**

Three years ago, Wake County initiated a new capital funding program with an increased emphasis on debt financing in order to expand the County's ability to support capital projects. There are two fundamental strategies that are key to the success of this program: 1) dedicating a funding stream specifically to capital, and 2) converting from a cash funding basis (pay-as-you-go) to a more debt-based financial plan.

Dedicating annual revenue streams for a capital program requires a great deal of fiscal discipline. It also is essential for the success of the long-term capital program and to deliver quality services to the current and future residents of Wake County. This means setting aside a percentage of the property and sales tax proceeds each year to fund current and future capital payments. The dedicated stream of revenue is critical to the integrity of the capital financial model as it assures that funds are available to pay for additional debt service payments. Funding is set aside each year in a debt service fund to pay for current year debt service payments and new debt service as it is incurred in the future years of the CIP planning period. A major part of the debt-based strategy was initiated when the citizens of Wake County passed bond referenda in November 2000 to support the use of general obligation bond funding of schools, jail facilities, and open space.

The initial capital financing strategy dedicated 18.5 cents of the tax rate and a percentage of the sales tax receipts to the capital program. This sales tax percentage is based upon legislation codified in the North Carolina General Statutes. In fiscal year 2002-2003 the property tax rate dedicated to the capital program was reduced from 18.5 cents to 17.5 cents to support operating expenditures. Starting in fiscal year 2004, interest earnings from all funds will be dedicated to the capital program in exchange for lowering the property tax rate dedicated to capital to 16.5 cents. Since debt service payments and investment earnings are

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both interest rate sensitive, the two are linked together to leverage the variable debt portion of our portfolio. These recent changes will not compromise the integrity of the debt service fund as Wake County continues to recognize that paying off the debt is a financial obligation of the County which cannot be ignored.

The second principle of the financial model, converting cash to debt, means that the capital plan relies more heavily on debt financing rather than on pay-as-you-go (cash) funding. Although there is a stronger commitment associated with meeting debt service payments in comparison with cash-based decision making, not meeting the capital infrastructure needs poses a larger risk to the long-term prosperity of the community. Combined with the County's AAA bond rating, general obligation bonds usually provide the lowest interest rate and therefore represent the least expensive form of debt to the County. The cost of the capital is then spread over multiple years so that current and future taxpayers assume proportionate shares of the cost and benefits of the facilities.

### **Current Funding Assumptions**

The Wake County CIP for the period 2004 to 2010 assumes that there will be bond referenda every three years starting in the fall of 2003. In the Fall of 2003, Wake County will hold bond referenda for public schools (currently anticipated to be \$450 million) and libraries (\$30 million). The City of Raleigh plans to hold a referendum on parks and recreation in the fall of 2003 and the Town of Cary recently passed a recreation referendum in the amount of \$30 million.

In 2006, Wake County plans to hold referenda for schools, open space (\$20 million), libraries (to complete the current master plan, \$20 million), and parks and recreation (\$10 million). Finally, in 2009, Wake County referenda are planned for schools, and possibly Open Space, while also financing future criminal justice needs.

### **Financial Model Basics**

The financial model is the mechanism that links the dedicated funding sources (property tax and sales tax revenue streams) with school and county capital expenditures and debt service payments over a seven-year horizon. Three fundamental principles maintain the fiscal integrity of the financial model: 1) maintaining a debt to cash ratio between 75-80% (debt) to 25-20% (cash); 2) maintaining a minimum end-of-year balance in the debt service fund of 19% of the subsequent year's debt service payment, and 3) maintaining positive end-of-year balances in the school and county capital project accounts in any of the seven years of the plan.

The current seven-year CIP proposes \$1.3 billion dollars of total expenditures with \$934 million in debt financing, \$236 million of cash payments, and \$133 million in other cash funding sources (fire tax district revenues, water/sewer fund balance, federal grants...etc). The resulting financial model is consistent with the three minimum principles outlined above. This compliance is demonstrated by the following: 1) debt to cash over the seven year period is 79% (debt) to 21% (cash), 2) the remaining balance in the debt service fund reaches its limit of 24% in 2011, and 3) the County capital projects fund balance reaches a low of \$2.4 million in fiscal year 2009.

The capital improvement budget for FY2004 totals \$81.8 million, with \$13.5 million funded through bond financing, \$28.2 million through other financing sources (fire tax district, water/sewer fund balance, solid waste closure reserves...etc), and \$40 million in pay-as-you-go funds.

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At this point in the development of the 2004 to 2010 CIP, the addition of any new capital project requires a trade-off with an existing CIP project or an infusion of new monies.

### **SECTION 3. PRIORITIES AND PROCESS**

#### **Working Assumptions**

The basic working assumptions framing whether expenditures constitute capital consideration are as follows:

- The planning horizon for the County capital improvements extends seven years.
- The County incorporates current and future capital needs in a systematic manner through both comprehensive master planning processes and critical needs expressed in the annual budget process.
- A capital project is a facility or project that costs more than \$100,000 and generally takes more than 12 months to complete.

#### **Investment Priorities**

Both during the development of element-by-element needs and in the analysis of the CIP as a whole, seven key priorities help frame whether projects are included in the CIP.

1. The first priority of CIP investments is to ensure life, safety, and basic environmental concerns. Investments in building security improvements, renovations to meet safety and health concerns, and detention security infrastructure illustrate these types of investments.
2. Investments that provide operating expense savings such as energy-saving investments in buildings, or building libraries instead of leasing space provide long-term benefits in terms of operating costs to the County.
3. The third priority consists of investments that maintain the integrity of current capital assets such as roof replacements, or major building systems life cycle replacement initiatives, and space renovations that improve service delivery.
4. Improving existing facilities and infrastructure to meet emerging needs and higher levels of service provide the fourth highest priority in terms of funding in the current CIP. Items in this category include investments in the 800-megahertz radio communication system, a backup emergency communication center, and installation of generators at Fire/Rescue and emergency medical services (EMS) stations.
5. Without expanding the County's existing role, investments in adding new facilities based on already approved plans comprise the fifth level of funding priority in the current CIP. These types of investments include new libraries, detention facilities, regional parks, community school parks, affordable housing, regional centers, open space preservation, Fire/Rescue stations, and school construction.
6. Expanding the County's service delivery role with investments in facilities or infrastructure represents the next highest priority for funding in the CIP. No funding is provided for these types of investments in the current seven-year CIP.
7. Finally, funding allocations that serve to match contributions by partners to support community infrastructure is the last priority of funding for the current CIP. The community capital projects fund represents this type of leveraged investment for community development and improvement.

#### **Process**

The long-term capital improvement program in Wake County is developed through four steps:

- 1) Comprehensive needs assessment and facility planning
- 2) Project prioritization on element-by-element basis
- 3) In-depth cost estimation and funding capacity analysis
- 4) Diligent project management and implementation

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These fundamental steps are explained below.

1) Comprehensive needs assessment and facility planning is often undertaken through a master planning and review process that can take up to two years of work by task forces, elected officials, community stakeholders, professional consultants, and staff.

Recent Master Plans include the following:

- Public Schools Long-Range Building Programs (Plan 2000 & Plan 2004)
- Criminal Justice Master Facility Plan (completed in 1999 and includes detention facilities and judicial facilities; updated in 2003 extends through 2015)
- Emergency Communications Systems Improvement Study (Completed in 1996, extends through 2010)
- Wake County Facility Master Plan (completed in 1999 extends through 2007)
- Affordable Housing Task Force Plan (completed in 1999 updated 2003)
- Water and Sewer Plan (completed in 1998 extends thru 2025)
- Parks and Recreation Plan (completed in 2002 extends for ten years)
- Libraries Plan (completed in 2002 extends for ten years)
- Open Space Plan (completed in 2002)
- Facility Assessment Plans for Existing EMS and Fire (completed 2002)
- Solid Waste Ten Year Plan (completed in 2000; currently updating to extend through 2013)
- Drafting Master Plans for EMS and Fire (will be completed in summer 2003)

2) Element-by-element prioritization occurs first and foremost in the master planning process. Adjustments are made, as necessary, on an annual basis through technical needs assessments of long-term needs and timing requirements. In some cases, staff and technical teams revisit the original master plans to compare the base assumptions of the plans against the actual needs for renovations and new facilities. For example, the timing of building the planned 416-bed jail on Hammond Road was delayed over two years because of an unusual reduction in inmate population. The timing for projects is also reviewed by technical teams of users such as the Court Facility Space Planning Committee, Facility Planning Committee, or by the County's senior management team. The Board of Commissioners also reviews and adjusts the priorities of projects through the annual budget process.

3) Cost estimation and funding capacity analysis: On an annual basis, staff from Budget and Management Services and Facilities Design and Construction conduct in-depth reviews of cost estimates and expenditure forecasts for construction and operating costs. In addition, the Department of Budget and Management Services revisits the funding capacity available in the seven-year capital horizon. This planning process culminates in the development of a draft CIP that is reviewed by County senior management team members and the Board of Commissioners.

4) Diligent project management and implementation: Wake County and the School System have traditionally excelled in the area of project implementation and management. Computerized project management systems and experienced project managers assure successful development of all capital projects. In addition to completing projects in a timely manner and realizing efficiencies through careful project bidding, selection, and overview, Wake County builds high-quality facilities that ensure efficient building operations and low maintenance costs over the useful life of the asset.

### **Annual Capital Budget Versus Seven-Year Capital Program**

When reading the FY2004 capital budget it is important to understand the relationship between the capital improvement budget (CIB) and the capital improvement program (CIP). The capital improvement budget

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(CIB) represents the financial commitment to fund expenditures in the first year of the seven-year program. The CIB is comprised of capital budget appropriations approved by the Board of Commissioners in the 2004 annual budget. The remaining six years of the seven-year capital improvement program represent a plan for future capital projects and appropriations. While the six-year planning period (2005-2010) is based in detailed project plans and financing strategies, its adoption does not appropriate funds by the Board of Commissioners. In some cases, the cost figures in the six planning years of the CIP reflect projections of construction costs that will be further refined as design, engineering, and cost studies are completed closer to project funding in the capital budget. A comprehensive presentation of the project, goals, and funding of the seven-year CIP is provided in a separate 2004 to 2010 Capital Improvement Program document.

### **SECTION 4. EXPENDITURE OVERVIEW**

This section provides an overview of the distribution of FY2004 capital expenditures and a summary of the activities in each functional area.

#### **FY2004 CAPITAL BUDGET SUMMARY**

The capital budget for FY2004 totals \$81.8 million and provides funding to continue projects already underway and to begin new projects. Some of the capital projects in which funds will be invested include:

- Wake County Public Schools (\$19.7 million),
- Constructing and renovating Libraries (\$8.7 million),
- Parks and Recreation development (\$4.9 million),
- Loan funds for the development of additional affordable housing (\$1.3 million),
- Ongoing emergency communications projects such as the 800 megahertz radio communications project and backup communications center (total of \$9 million),
- Constructing and renovating Fire and EMS stations and funding for Fire apparatus (\$4.4 million),
- Capital investments in community-based projects (\$500,000),
- Continued land acquisition efforts in the Little River area (\$2.9 million),
- Security and building renovations (\$6.7 million),
- Technology improvements (\$2.5 million).

#### **FUNCTIONAL ELEMENT HIGHLIGHTS**

The capital budget contains 15 functional elements. Each of the elements has various capital projects that are focused on achieving complementary long-term program goals. For example, the Criminal Justice element includes both judicial and detention facilities because the goals of expeditious adjudication and effective and efficient detention are necessary foundations of an effective County criminal justice system. Similarly, capital investments in stations and equipment constitute the Fire and EMS element, resulting in improved response times and an overall improvement in public safety in Wake County. In addition to targeting investments on long-term program goals, the 15 categories of functional elements also facilitate collaboration and coordination of facility planning efforts among different departments and agencies. Comprehensive presentations of each of the function elements are provided in the 2004-2010 Capital Improvement Program document.

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The following sections provide summaries of the capital appropriations in the capital budget for FY2004.

### Public Education

The current seven-year plan includes \$897 million to improve school facilities. Of the \$500 million Plan 2000 bond funds, all bonds have been sold. Of the \$550 million Plan 2000 building phase, all but \$23.4 million has been appropriated.

Plan 2000 funds include two funding elements: bond funds and pay-as-you-go funds. The pay-as-you-go funds include interest earnings, state capital building funds, and capital fund balance. All projects included in this building program are scheduled for completion by 2006. An additional \$450 million in bond funds is currently estimated in the next building phase (Plan 2004).

Two of the pay-as-you-go sources of revenue are from the critical needs funds from the North Carolina Department of Public Instruction and the Public School Capital Building Program. Included in the \$550 million Plan 2000 building program is \$7.3 million from critical needs funds. The Public School Capital Building fund included \$14.5 million, of which the County has received more than \$5 million. To date, \$3.97 million of the critical needs funds have been received. The State has frozen the remaining \$3.23 million in critical needs funds, with the future availability of these funds unknown. In addition, one year of the Public School Capital funding has been confiscated by the State of North Carolina to balance their FY2003 budget. There is the potential that the Board of Commissioners may need to consider reducing the total amount of funds for the Plan 2000 building program because of these reductions made by the State. At that time of this publication, the total impact is not known.

Project accomplishments through 2003 include:

- Seven of the 14 new schools are complete or nearly complete
- Twenty of the thirty-five major renovation projects are complete or nearly complete
- Forty-three of the sixty-one system wide improvement projects are complete or nearly complete.
- Numerous other smaller projects complete
- Construction on-going for six new schools to open in 2005 (with the net of one additional elementary school, funded by an earlier building program to also open in 2005)
- Major renovations at nine schools to be completed in 2004

The Wake County Public School System uses new facilities to house students from existing schools when the renovations of an existing school is so extensive (or unable to be phased) that it is not feasible for the students to remain at the existing school. For the upcoming school year, new schools opening will house the student populations of existing schools as follows:

New School Building	School Being Renovated
Cedar Elementary	Kingswood Elementary
Salem Middle	Apex Middle

During 2003, Holly Ridge Middle accommodated the students from Fuquay Varina Middle and Holly Ridge Elementary housed the Apex Elementary school population. Holly Ridge Elementary and Middle will open in August 2003 to its own base student population.

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The student population of East Cary Middle School will permanently move to Reedy Creek Middle at the beginning of the 2003-04 school year. The East Cary facility will be renovated during 2003-04 and will open in 2004-05 as a 9th grade center for Cary High School. This school will serve as a ninth grade center for two years until new high school facilities are constructed to relieve crowding at Cary High.

In 2004-05 Carpenter Village Elementary will open as a ninth grade center for Green Hope High School. As is the case for Cary High, this ninth grade center will be in use for two years until new high school space can be constructed. For the 2006-07 school year, Carpenter Village will open as a new year round elementary school.

### **County Building Improvements**

Two main categories of projects comprise the building improvements element of the CIP: Security Improvements and County Building Renovations. The FY2004 capital budget appropriation for County Building Improvements totals \$6.7 million (\$500,000 for security improvements and \$6.2 million for building renovations). In 1995, a comprehensive plan for improving the security of Wake County facilities was completed that outlined a six-phase plan for upgrading security infrastructure. To date, security improvements have been installed in over 60 percent of the County building space. After conducting an update of the security plan, following the terrorist attack on September 11th 2001, the County is expediting the remaining phases of the original security improvement project. Some of the main initiatives in the accelerated plan involve installing integrated perimeter alarm monitoring, access control, intercoms, and closed circuit television (where appropriate).

Wake County government is responsible for over 125 buildings and 3.1 million square feet of building space. Because a number of these buildings receive extremely high volumes of public traffic, systematic refurbishment of a small portion of this square footage is required annually to protect the County's investment in its facilities. County building renovations planned for FY2004 total \$6.2 million and include the following projects:

- Mezzanine Level County Office Building: Solicit bids, award contracts and complete renovations and modular workstation reconfiguration for Information Services.
- Fifth Floor County Office Building: Complete renovations for Planning and GIS.
- Life Safety Improvements: Complete final testing and final Raleigh Inspections approvals of Wake County Office Building fire sprinkler system (installed and permitted in phases over past five years); Replace elevator lobby partitions with appropriately rated wall systems.
- Energy Saving Projects: Complete design and construction associated with lighting fixture replacements in select areas of Public Safety Center, Human Services Sunnybrook and Human Services Inner City buildings.
- Human Services Sunnybrook: Solicit bids, award contracts and complete stages 1 and 2 of two-year renovation project.
- Human Services Inner City: Award contracts and complete planned renovations.
- Garland Jones Building: Complete design and begin construction required to relocate vital records function from Sunnybrook.
- Cornerstone: Complete design and renovation to convert part of the facility to a transitional housing program.
- Facility Signage Improvements: Conduct a review of the County's interior signage system to identify any bilingual signage issues governed by State or Federal regulations; Begin replacing selected exterior signs, which need repair/refurbishment and are not consistent with County sign standards.

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These investments in building security and renovations ensure the quality of the County's long-term assets is preserved and that safe, accessible, and efficient facilities are provided to the citizens of Wake County.

### Community Capital Projects

In fiscal year 2002, the Board of Commissioners established a Community Capital Projects fund to support capital investments in projects that address critical countywide community issues. This fund provides a structured framework to help Wake County develop the nongovernmental capacity to mobilize community resources. To accomplish this goal, projects are reviewed and selected to receive funding through a competitive and analytical process. The 2004 capital budget appropriates the third installment of \$500,000 for community capital projects. During the first year of the program, the initial requests for funding were received in December 2001, and in April 2002, the Board of Commissioners selected the following projects to receive funding as noted:

- **Food Runners Collaborative:** The County has committed to funding \$250,000 per year over five year (through FY2006) to support the construction of an 18,000 square foot commercial kitchen facility (total County support is \$1,250,000). The capital initiative is supported by an aggressive fund raising campaign with over \$1.5 million sought from non-governmental sources. The facility will be located near the State Farmers' Market and will double the current food recovery levels and double the number of clients served by the operations of Meals on Wheels and the Inter-Faith Food Shuttle. In addition, the kitchen facility will serve as a vocational training site for homeless individuals.
- **Alice Aycock Poe Center for Health Education (Poe Center):** \$500,000 of funding support to construct a parking lot and creating a learning playground on land adjoining the current Poe Center (total County support is \$500,000). This capital initiative is accompanied by a goal of achieving approximately \$3 million in nongovernmental funding contributions. The shared parking lot and the learning playground are part of a comprehensive capital plan focused on increasing the number of program participants at the Poe Center. The goals of the initiative include expanding the number of participants from 50,000 to 100,000 a year through extended hours, new exhibits, and more diverse programs.

Staff will work with representatives of Food Runners and the Poe Center to monitor key project activities and assure that milestone date for completion are met. Verification of compliance will be consistent with the terms and conditions of the executed funding agreements between the County and each of the two parties.

### Regional Governmental Centers

The primary goals of developing regional governmental centers are to: 1) Increase accessibility, availability, and efficiency of government services to citizens of the County, 2) Reduce transportation costs for customers traveling to receive governmental services, and 3) Reduce travel time and transportation costs for staff providing services to specific regions of the County. With the East Regional Center scheduled to open in the fall of 2002, no new capital investments are planned for regional center construction in FY2004. \$25,000 has been included to conduct a comprehensive analysis of the need to design and build a new Crisis Assessment Services Center.

### Public Libraries

The FY2004 allocation for libraries capital totals \$8.7 million and includes beginning the projects listed below. \$3.2 million of the total is comprised of pay-as-you-go funding for renovations of Cameron Village Regional Library, while the remainder is dependent on the approval of a \$30 million bond referendum in the fall of 2003.

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West Regional: Finalize site acquisition, design work and award construction contract(s) for a building containing 30,000 square feet.

Holly Springs Branch: Finalize site acquisition, schematic design and preliminary site planning for a building containing 8,000 square feet.

Northeast Regional: Begin site search and land acquisition (7-8 acre site) for a future building containing 22,000 square feet.

Leesville Branch: Begin site search and land acquisition activities for a 3-4 acre site for a future building containing 8,000 square feet.

Cameron Village Regional: Complete renegotiation of long-term (at least 20 years) lease for two stories containing a total of 36,000 square feet of library space in Cameron Village; Locate 20,000 square feet of space for temporarily relocating existing library during renovation and expansion of regional library; Finalize construction documents and award contract(s) for temporary space and regional library renovations.

North Hills Branch: Finalize build versus lease comparison and proceed with site search (three acre parcel), if build option is determined to be best long-term alternative; Complete site planning and schematic design for new building containing 8,000 square feet; Otherwise pursue long-term facility lease (if lease option selected).

### **Parks & Recreation**

The FY2004 appropriation for Parks and Recreation totals \$4.9 million, mostly comprised of pay-as-you-go funding (\$600,000 of the total is grant-based). The funds support the implementation of the Parks Master Plan that was accepted by the Board of Commissioners in 2002. Consistent with the County's defined role in the Master Plan, the following projects are included in the FY2004 capital budget:

#### **Facility Improvements**

Initiate highest priority facility improvements identified in the annual park facility assessment report; anticipate expending \$250,000 on these improvements.

#### **Community School Parks**

Based on determination of facility needs, participate in joint land acquisitions and planning with school system and potentially other partners for four (4) new community school park projects; planned expenditures total \$800,000. Complete construction of school park improvements at Ballentine Elementary, Holly Springs Elementary, Creech Road Elementary, Carpenter Village Elementary, Highcroft Elementary, and Turner Creek Elementary. Complete joint facility needs assessment and planning for potential community school parks at Holly Springs and Panther Creek High School sites and Brier Creek Elementary; possibly partner with school system and others to meet defined parks and recreation facility needs at these sites.

#### **Yates Mill County Park**

Complete construction of Phase III, including boardwalks and decks associated with the pond. Commence construction Phase IV, which includes the Education and Research Center (\$1,500,000).

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### American Tobacco Trail

Complete design and commence construction of Phase II, including approximately two miles of trail, trail-head, and rest room facilities (\$600,000 contingent on grant funding approval).

### Southeastern County Park

Begin land acquisition in the southeastern part of the county for a future regional park site (\$1.8 million).

### Harris Lake County Park

Update master plan and solicit proposals for design services.

### **Open Space Preservation**

Based upon the recently adopted Wake Open Space Plan, priority real property within the highest ranked subwatersheds in the County have been identified and will be targeted for preservation as open space in FY2004. Approximately 30,000 acres have been identified through this process. The following properties are currently being evaluated for potential acquisition in FY2004 with funds remaining from the successful bond referendum in November 2000: Barham Farm - 100 acres of Farmland Preservation/Greenway Easement in Little River Watershed; Lake Wheeler/Benson Properties - 300 acres of floodplain in Swift Creek Watershed; Francis Property - 127 acres adjoining Neuse River. In addition, a comprehensive list of highest ranked parcels in priority one watersheds is being compiled to be considered for acquisition in accordance with the recommendations in the Wake Open Space Plan. It is anticipated that Phase 2 of a detailed multi-year land acquisition plan will be finalized and approved by the Board of Commissioners in the summer of 2003. The seven-year CIP includes funding support of \$6 million in pay as you go cash (spread over FY2005 and FY2006) and \$20 million in bond funds via a referendum proposed for fall 2006. Conservation/greenway easements proposed in the original Phase 1 Open Space Plan will continue to be pursued along the Little River (north of Mitchell Mill State Park), along the Neuse River (south of Poole Road) and upstream of Falls Lake near the previously acquired Hosley Farm.

### **Criminal Justice**

The two related programs comprising the criminal justice element of the capital budget are judicial and detention facilities. Detention security improvement are included as part of the detention facilities plan. The FY2004 capital budget includes an appropriation of \$11.5 million for criminal justice. \$8.5 million is for the construction of detention facility Phase 1B of the Hammond Road complex. The remaining funds are for judicial renovations (\$2.5 million) and detention security (\$550,000). The FY2004 investments in criminal justice capital support the following projects:

#### **Detention**

Jail 1B (416 bed facility): Complete new code analysis of previously prepared construction drawings; solicit bids, award construction contract(s) and begin construction.

#### **Detention Security**

Complete replacement of detention intercom systems at Public Safety Center; Begin replacing door and panic alarm controls at Public Safety Center.

#### **Judicial**

- Finalize site analysis, building programming, and preliminary site planning for future Courts Annex (146,162 square feet) and parking deck (750 spaces).
- Initiate the following projects in the existing Courthouse:

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- First Floor: Complete design and construction documents for traffic disposition court.
- Fifth Floor: Complete upfit of control core for elevators, elevator lobby, public toilets and public access; complete preliminary design plans for conversion of floor to a new technology/ceremonial courtroom and two standard trial courtrooms.
- Eleventh Floor: Complete design and renovation of approximately 6200 square feet of floor space for Clerk's Civil Division.
- Finalize multi-year implementation plan and cost projections for upgrading and expanding courthouse life safety and fire protection systems; Secure local code officials approval of plan.

### **Fire & Emergency Medical Services (EMS)**

The projects currently in the capital budget for this element address issues such as Fire and EMS coverage areas, response times, renovations, and installation of back-up power generators for EMS and Fire stations. These needs were identified in studies conducted by Wake County during the late 1990s. Currently, the County is developing a long-term strategy and capital plan for providing Fire and EMS facilities to identify and prioritize the needs for facility renovations and new construction.

In FY2004, investments totaling \$3.6 million to focus on the following fire facilities and equipment capital:

**Stony Hill Headquarters Station:** Complete construction and open new combination Fire/EMS facility by end of second quarter.

**East Garner Area Station:** Finalize site evaluation and acquire land needed for prototype fire station; complete design work, award construction contract and begin construction.

**Master Planning process,** review with Fire Commission and obtain approval from Board of Commissioners; incorporate master plan recommendations into capital plan as appropriate.

**Fire Facility Assessments:** Complete Phase I of life safety and code improvements identified in the February 2003 report based on available funding; prepare bid package and obtain bids from contractors for remainder of Phase I improvements.

**Emergency Communications Improvements:** Purchase and place into operation all 800 MHz radios and pager units as planned.

**Hopkins Fire Station:** Complete renovation of existing facility to add sleeping quarters, showers and restrooms.

### **Emergency Medical Services (EMS) (\$726,000)**

**Stony Hill EMS:** Complete construction and open new combination Fire/EMS facility by end of second quarter.

**EMS Renovations at Fuquay-Varina Fire Stations #1 and #2:** Complete renovation of these two fire stations to add space for EMS vehicles and crew.

**EMS Facility Assessments:** Complete 80 percent of life safety, code improvements and emergency generator improvements as identified in the February 2003 report; prepare bid package and obtain bids from contractors for remainder of Phase I improvements.

**Master Plan for EMS Facilities:** Complete master planning process, review with Wake Rescue Squad Association and obtain approval from Board of Commissioners; incorporate master plan recommendations into capital plan as appropriate.

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All projects addressing Fire capital in this element are supported with dedicated capital funding transfers from the Fire Tax District. The \$726,000 of EMS projects in the Public Safety element are supported exclusively with funds from the general County capital program.

### **Emergency Communications**

The Emergency Communications element is comprised of three projects concerning emergency radio communications, computer aided dispatching, and back-up emergency communications. All of these initiatives are interconnected and comprise key components of the infrastructure needed to effectively handle public safety communications in emergency situations. In FY2004, \$9 million will be allocated to emergency communications to support the completion of the radio communications project (\$8 million) and to support the construction of the backup communications center.

The radio communication (800MHz) project consists of the following major components:

- Constructing and providing radio towers,
- Installing microwave equipment,
- Establishing in-building amplification capacity,
- Purchasing a paging system and portable units.

In FY2004, portable radios will be delivered and programmed. Mobile units and antenna systems will be installed in vehicles along with desktop units in buildings. In-building amplification system needs will be identified for key facilities and equipment installed as necessary. Control system electronics will be fully installed and tested. Dispatch console equipment and monitors will be installed at the following locations: Raleigh/Wake Main ECC; Raleigh/Wake Back-up ECC; Wake Emergency Operations Center; System Management Office in Wake Office Building. Extensive testing, coverage verification and training will be completed during the last two quarters of FY2004.

Negotiation of the terms and conditions of an interlocal agreement between Wake County and Cary, which will allow Cary to migrate to the County 800 MHz system is expected to be completed early in FY2004. If the agreement is executed, design work to expand the system to 18 channels will be done. A contract would then be finalized with the radio system contractor for manufacturing and installing the equipment needed for the expansion.

### **Computer Aided Dispatch**

Plans for FY2004 include purchasing and installing the Fire/EMS voice alerting system. Assistance will also be provided to the various municipalities that are implementing remote CAD workstations. No new appropriations are needed for CAD in FY2004.

### **Back-up Emergency Communications Center**

In the FY2004 capital budget, \$1 million is targeted for the Back-up Emergency Communications Center. Execution of an interlocal agreement between Wake County and Raleigh to jointly develop and fund the fully equipped facility is anticipated. Completion of building construction and installation of equipment for the back-up facility would then be completed. Operational testing and training would begin in FY2004, but not be fully completed. These final project activities would be planned to coincide with the completion of the 800 MHz radio system improvements project.

## **FY2004 Adopted Capital Improvements**

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### **Affordable Housing**

Population growth has pushed housing prices beyond the means of thousands of Wake County families. Recent studies reveal that the demand for affordable rental units exceeds the supply by approximately 27,000 units (Karnes Research Company, 1999). With the average sales price of \$215,512 for a new home in the County in 2001 and the average price of an existing home of \$182,512, the demand for first homes affordable to low and moderate income families (those making \$35,000 to \$48,000/year) exceeds supply by approximately 7,000 units. Without County investment in producing additional units of affordable housing, increasing numbers of people who work in Wake County will be forced to live elsewhere. County investment in apartments and single-family homes is used to leverage additional federal, state, and private funds for constructing affordable housing.

In FY2004, the County will appropriate \$1.37 million to the affordable housing element in the capital budget. These funds will support low-interest loans to developers who build affordable rental units and single-family homes for first-time buyers. The new units are developed on infill lots or small subdivisions throughout the County. The loans made to developers of affordable rental units will be repaid to the County over a 2-30 year period. The funds used to develop single-family houses are returned as the houses are resold over a 1-10 year period.

### **County Automation**

Since the automation program's inception six years ago, the County has consolidated investments into three categories: 1) computer equipment, 2) enterprise network, and 3) business applications. In the computer equipment category, the Information Services Department is responsible for identifying and analyzing replacement personnel computer (PC) needs, as well as other automation network accessory needs (such as network printers and plotters). Enterprise network improvements comprise the on-going work of refining the current County network and continue the move to a managed, server based technical infrastructure within Wake County government. The third area of automation capital activities includes investments in business applications. These investments provide technology enhancements to the daily operations in specific service delivery areas. The investments often involve efficiency gains from improved work processes, data collection, information processing, analysis, and reporting.

An appropriation of \$2.5 million is planned for FY2004. Of the FY2004 total, \$1 million will be used to fund the replacement of computer equipment. A new appropriation of \$1 million is needed to improve the County's network infrastructure and to continue to move the organization to a managed server environment. Finally, \$500,000 of the total appropriation will be used for business applications improvements in FY2004.

FY2004 improvements include the completion of the Property Tax System rewrite, including the CAMA/Land Records Database project and initiation of the related Land Integration project which links other data systems that deal with land related activities (e.g. Building Permits & Inspections, Environmental Permits & Inspections, Geographic Information Services, Register of Deeds, Public Safety etc.) to the common land records database. The purpose of this effort is twofold: one, to ensure that land related data is kept up to date and is available to all who need it and two, to improve the business processes surrounding land related activities in the community to provide a higher level of service to the customers of these processes.

In addition, the GIS Upgrade Project will be completed which involves upgrading the system to the latest releases of mapping (ArcGIS) and database (Oracle) software to support the work being done on the land integration project mentioned previously and to provide greater usability of the data.

## **FY2004 Adopted Capital Improvements**

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Key business application projects planned for FY 2004 include: revisions to the Mental Health Information System based on new State rules, providing access to permits and inspections data in the field, improving the content and functionality of both the external website and internal employee portal, and pursuing consumer records automation in the Human Services department. Investigation of upgrades to both the Finance and Human Resource systems will also occur during the period with implementation planned for FY 2005

In FY2004, the Public Facilities Database project will be completed involving the use of the prototype established in the Public Use Facilities Database project completed in FY 2003 to include property, leases, easements and facility assets managed by Wake County government.

Technical infrastructure improvements will be made in the areas of server upgrades and database licensing upgrades for the Oracle, SQL and Domino environments, security software upgrades, disaster recovery (completion of network redesign and testing), network upgrades (building wiring and router upgrades), and support for the GIS application upgrade.

Computer equipment replacements will place a particular emphasis on the needs in General Services Administration, Inspections, Library and Sheriff's work units.

### **Little River Land Acquisition**

The Little River Reservoir was first designated as a future source of high quality drinking water in a 1986 assessment of water supply alternatives to meet the needs of eastern Wake County. The project as currently planned will eventually consist of the construction of a water supply reservoir within the Little River Watershed with a potential yield of 17 million gallons per day. Wake County, with financial assistance from five municipalities, has assumed responsibility for funding and completing the initial land acquisition phase of the reservoir project. In 1995, Wake County entered into an interlocal agreement with Knightdale, Wake Forest, Wendell, Zebulon, and Raleigh for the purchase of property needed for the project. To complete the land acquisition phase of the reservoir project, the County is focused on acquiring approximately 180 parcels consisting of approximately 2,000 acres to accommodate the reservoir construction and provide for the 200-foot buffer area. In FY2004, \$2.9 million will be appropriated to acquire an additional 370 acres consisting of 27 parcels and 7 dwellings.

According to the 1998 Water/Sewer plan, the reservoir is scheduled for completion in 2025. After the completion of the land acquisition phase, several independent intermediate steps are needed to complete the Little River Reservoir project including: a) identifying an operation and management entity for the reservoir and water treatment and distribution facilities, b) the transfer of land rights to the operating entity, c) the permitting of the reservoir and design of the facility, and d) the construction and operation of the reservoir.

### **Water and Sewer**

Projects eligible for County funding from this element are generally in one of the following three categories: 1) Wake County Water and Sewer Plan implementation, 2) infrastructure development in Research Triangle Park, 3) water quality and watershed management initiatives. The first category is comprised of studies and projects that facilitate the consolidation of water and sewer utility systems in accordance with the 1998 Wake County Water and Sewer Plan. Also included in the water/sewer element are investments for utility service connections to support the economic development of RTP, thus providing jobs for our citizens and enhancing Wake County's tax base.

## **FY2004 Adopted Capital Improvements**

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A combination of water/sewer fund balance appropriations (\$940,000) and loan repayments (\$726,000) will be used to support the total appropriation of \$1.66 million in the FY2004 capital budget.

### **Water Sewer Plan Implementation**

Work continued in accordance with the 2002 interlocal agreement for collaborative engineering studies of alternatives for the development of regional wastewater treatment facilities in the western area of the county. The participating jurisdictions included Apex, Cary, Fuquay-Varina, Holly Springs, Morrisville, and Wake County. The interlocal agreement stipulates that each of the jurisdictions will share in the cost and actively participate in evaluating the alternatives for meeting long-term regional wastewater treatment needs for western areas of the County. The study will be completed in FY2004 and will provide recommendations on facility size, location, construction costs, institutional/management alternatives and suggested timeline for implementing the recommended solution(s). In addition, the County will continue to encourage municipal discussions and studies regarding the feasibility for more utility mergers with the Raleigh and Cary water/sewer systems.

### **RTP Infrastructure Development**

During FY2004, 11,900 feet of water line will be constructed to serve nine sites and 15,600 feet of sewer line will be extended to serve four sites. The construction of I-540 will require the relocation of approximately 1,000 feet of water line and 500 feet of sewer. The expansion of Biogen, Inc. will necessitate the construction of an additional 4,000 feet of sewer. In addition, new appropriations are included to support onsite utility extensions in the Wake County portion of RTP.

### **Water Quality / Watershed Management**

The Watershed Management Task Force completed its work assessing the condition of various watersheds and identifying future management strategies. The future strategies and jurisdictional responsibilities for the watershed management efforts are generally outlined in the published watershed management plan and are being further refined by County Environmental Services staff.

### **Solid Waste**

The seven-year capital plan includes an investment in the capital budget of \$7.7 million in FY2004 at various solid waste facilities. The North Wake C&D landfill will close near the end of FY2003 and \$444,634 is identified for that project. The C&D landfill at Feltonville is expected to close in FY2004 at a cost of approximately \$1.9 million. In addition, the North Wake Subtitle D landfill will be closed out in phases beginning in FY2004 (\$4.8 million). Phase II and the final closure of the facility are expected to occur in FY2006 and FY2009, respectively, depending upon waste tonnages. The total cost of the North Wake Subtitle D landfill closure projects is estimated to be \$12.5 million. These activities are supported by closure reserves that were part of the tipping fee structure throughout the life of the landfill.

Plans for a new landfill in southern Wake County have been completed and a permit for the construction has been issued by the State. Land on which the new landfill is permitted to be constructed is currently owned by Wake County. Although construction of the new landfill is a viable alternative, staff is evaluating various other options for long-term (25 years) disposal of solid waste. It is anticipated that a report of the various options considered, along with specific recommendations on the proposed long-term solution(s), will be presented to the Board of Commissioners in FY2004.

## FY2004 Adopted Capital Improvements

<b>FY2004 Capital Budget Appropriations</b>	
<b>Wake County Capital Projects</b>	<b>FY2004 Appropriation</b>
<b>Wake County Public Schools</b>	\$19,662,804
<b>Libraries</b>	\$8,674,670
<b>Parks and Recreation</b>	
Yates Mill Pond County Park	\$1,500,000
Park Facility Improvements	\$250,000
American Tobacco Trail	\$600,000
Regional County Parks	\$1,847,046
Community School Parks	\$800,000
<b>Little River Land Acquisition</b>	\$2,900,000
<b>Water and Sewer</b>	
Water Sewer Plan Implementation	\$500,000
RTP Off-site Economic Development	\$666,390
RTP On-site Economic Development	\$500,000
<b>Emergency Communications</b>	
Radio Communications (800 MHz)	\$8,003,514
Back-up Communications Center	\$1,169,680
<b>Fire and Emergency Medical Services (EMS)</b>	
EMS Facilities	\$725,971
Fire Facilities and Equipment	\$3,652,900
<b>Criminal Justice</b>	
Judicial Facilities	\$2,485,181
Detention Facilities	\$8,560,053
Detention Security	\$548,977
<b>Community Capital Projects</b>	\$500,000
<b>County Building Improvements</b>	
Security Improvements	\$500,000
Building Renovations	\$6,241,954
<b>Regional Centers/New Human Services</b>	\$25,000
<b>Affordable Housing</b>	\$1,370,000
<b>County Automation</b>	\$2,500,000
<b>Solid Waste</b>	\$7,699,634
<b>TOTAL CAPITAL APPROPRIATIONS</b>	<b>\$81,883,774</b>