

# Capital Improvement Plan FY27-31

Council Work Session

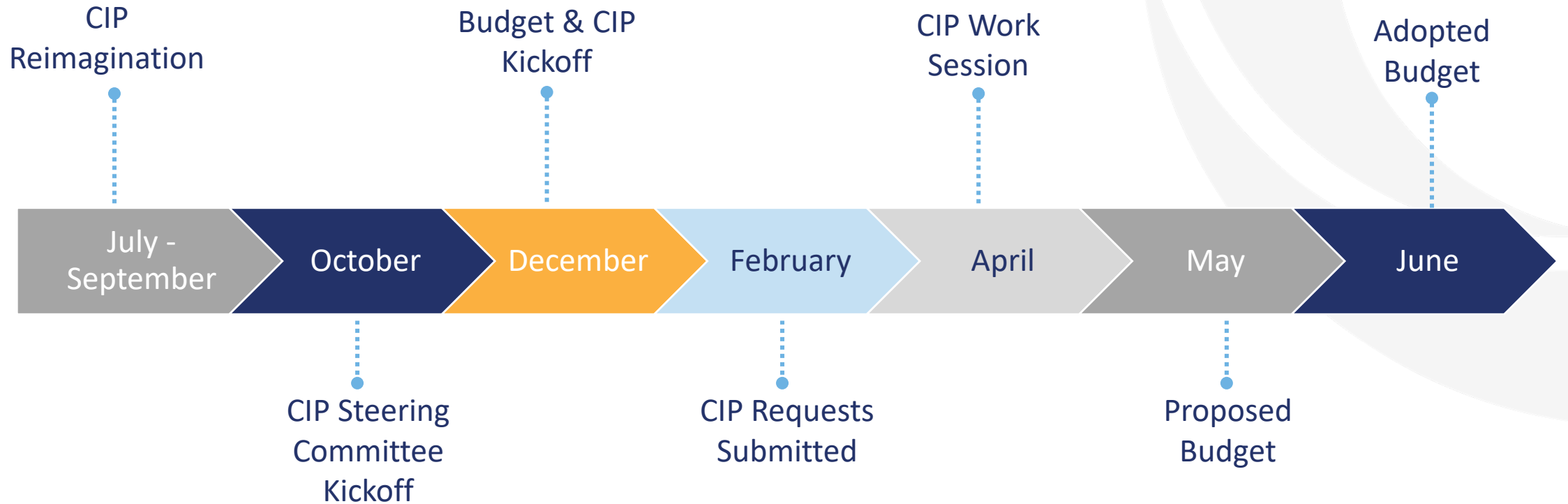


# Agenda

- CIP Overview
- 2021 Bond Program Update
- FY27-31 Capital Improvement program
- Debt overview
  - Current borrowing schedule
  - Future Borrowing
- Horizon Project Status Update



# CIP Development Schedule





# Overview

- CIP Steering Committee makes CIP recommendations
- Goals included:
  - CIP Visioning
    - *Strategically align capital priorities and funding to create and sustain Garner as a thriving community*
  - CIP Goals Setting
    - Plan → Construct → Maintain
  - Other considerations
    - Town character and public engagement
    - Equitable distribution of projects and types
    - Connection and mobility
    - Private investments





# FY2021 Bond Update

## Parks - \$35.5m

- Yeargan will be complete late summer
- South Garner Greenway underway
- Will start Meadowbrook design this year

## Transportation - \$24.05m

- Jones Sausage Road construction FY27 appropriation

## Stormwater - \$2.95m

- Downtown and Regional Stormwater Studies are complete

## Public Safety and Services Facilities - \$6.5m

- Fire Station 5 was complete in May 2024

*Final bond sale spring 2027*

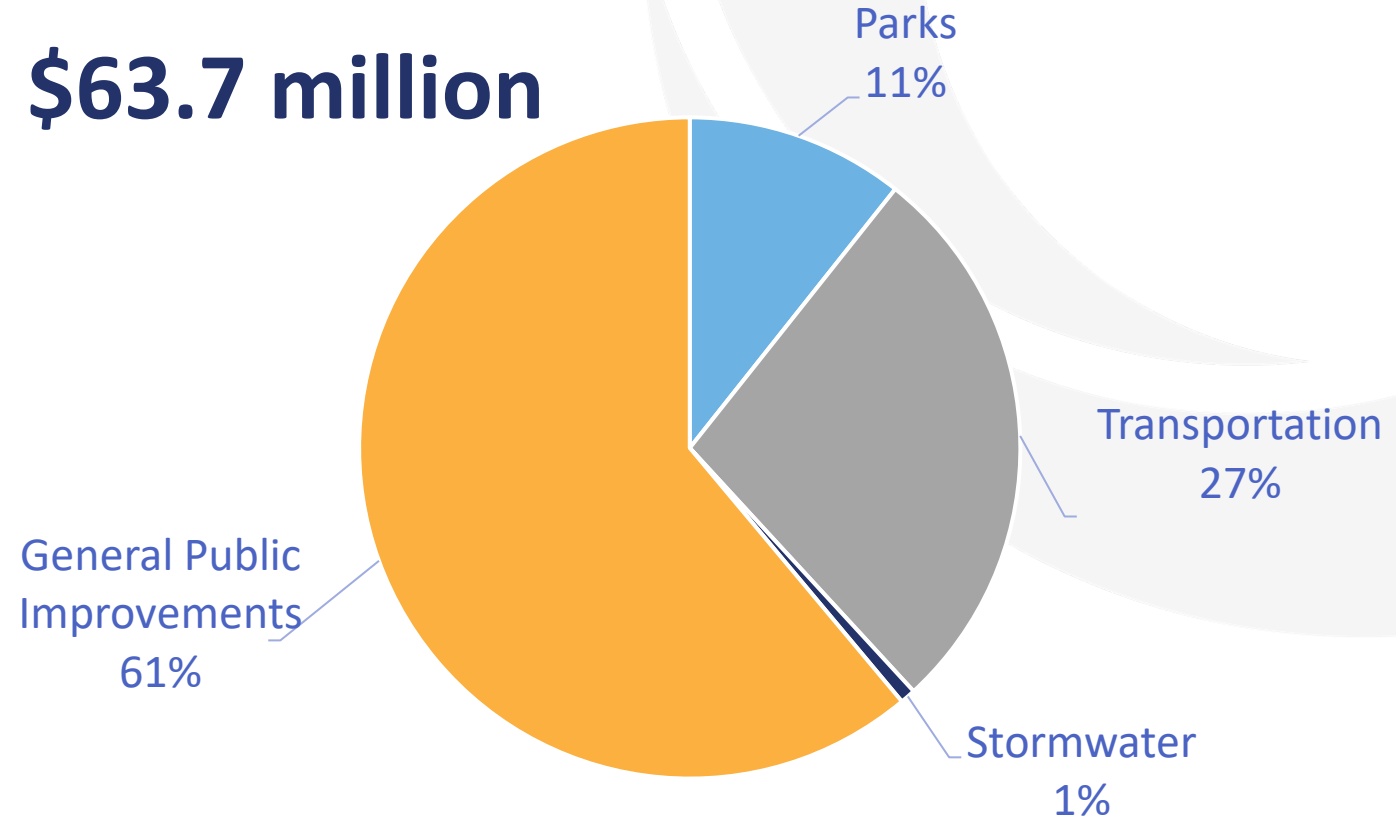


# FY27-31 Capital Improvement Plan

Over the 5-year plan:

- Parks CIP - \$6.8m
- Transportation CIP - \$17.5m
- Stormwater CIP - \$478k
- General Public Improvements \$38.9m

**\$63.7 million**



# FY27 New Projects

- Yeargan Homestead
- Peacock Dam Remediation
- Stormwater Utility
- Vacant Building Demolition
  - This includes structures on current Town property that pose safety, health and maintenance issues



# Parks CIP

## Project Highlights

- Meadowbrook Park Design  
\$200k
  - Construction planned for FY28 plus cost
  - Current estimate for pared-down phase 1 ~ \$7m
- Yeargan Homestead - \$1m
  - *Use of one-time funding*



# Penny for Parks - \$1,045,508

- Permanent solution to the Veteran's Memorial alternate pathway for bicyclists and pedestrians
- Replace light poles and install LED lights at Garner Recreational Park
- FY26 Penny for Parks included
  - Replacement of playground equipment and grills at South Garner Park as
  - Fencing at Garner Rec Park
  - Greenway bridges at White Deer Park



# Transportation CIP

## Project Highlights

- Jones Sausage Road - \$15.8m
  - Completion of road improvements including center drive access, curb and gutter and 5ft sidewalk from E Garner Road to Amazon
- Traffic Calming \$200k





# Stormwater



## Project Highlights

- Stormwater Utility Study \$171k
- Peacock Dam Remediation \$165k

*\*Both projects are funded with one-time funds*



# General Public Improvements

Covers on-going asset replacements and maintenance

- VERT
- PFRM
- IT Capital
- Body-worn Cameras and Public Safety Technology upgrades
- Public Art
- Fire VERT – New Category
- Project Highlights
  - Demolition of Vacant Town Structures
    - Health, safety, and maintenance concerns
    - More contractor interest
    - Better pricing bundling





# Demolition of Town Surplus Structures

Structure/Property	Location	Structure Demo	Associated Impervious Demo	Total Site Demo
<i>Evidence Storage*</i>	<i>Town Hall Campus</i>	24,850	35,533	60,383
Liles Property	2605 Benson Rd	14,280	-	14,280
Bank Building	120 Aversboro Rd	50,400	37,920	88,320
Creech Rd House	1420 Creech Rd	16,800	6,120	22,920
Montague St House	152 Montague St	18,000	-	18,000
<b>TOTAL*</b>		<b>\$99,480</b>	<b>\$44,040</b>	<b>\$143,520</b>

*\*Total excludes Evidence Storage building as the cost is included in as part of the 109 Building Renovation*



Evidence Building\*



Liles Property



Bank Building



Creech Rd House



Montague St. House

A large, light blue, stylized letter 'G' is positioned on the left side of the slide, serving as a background element. The 'G' is composed of thick, rounded strokes.

# Debt Model

Future Borrowing Scenarios



# Current & Proposed Debt

A Fiscal Year	B C D E Capital Funding Requirements				F G H Revenue Available for DS			I J Cash Flow Surplus (Deficit)	
	Existing Debt Service	Proposed Debt Service	CIP Pay-Go Cash	Total Requirements	8.5¢ Dedicated Tax Rate	Other Revenue Sources	Total Revenues Available	(H - E) Annual Surplus/ (Deficit) Debt Service Fund	
2025									\$9,448,141
2026	\$ 8,359,754	\$ -	\$ -	\$ 8,359,754	\$ 8,249,505	\$ -	\$ 8,249,505	(\$110,249)	9,337,892
2027	8,436,554	-	-	8,436,554	8,661,980	-	8,661,980	225,426	9,563,318
2028	8,382,074	1,911,500	-	10,293,574	9,095,079	-	9,095,079	(1,198,495)	8,364,823
2029	8,144,307	1,863,713	-	10,008,019	9,549,833	-	9,549,833	(458,186)	7,906,638
2030	7,916,615	1,815,925	-	9,732,540	10,027,325	-	10,027,325	294,785	8,201,422
2031	7,690,926	1,768,138	-	9,459,063	10,528,691	-	10,528,691	1,069,628	9,271,050
2032	7,498,513	1,720,350	-	9,218,863	11,055,126	-	11,055,126	1,836,263	11,107,313
2033	7,275,597	1,672,563	-	8,948,160	11,607,882	-	11,607,882	2,659,722	13,767,035
2034	7,052,681	1,624,775	-	8,677,456	12,188,276	-	12,188,276	3,510,820	17,277,855
2035	6,813,765	1,576,988	-	8,390,753	12,553,924	-	12,553,924	4,163,172	21,441,027
2036	6,599,711	1,529,200	-	8,128,911	12,930,542	-	12,930,542	4,801,631	26,242,658
2037	4,996,225	1,481,413	-	6,477,638	13,318,458	-	13,318,458	6,840,821	33,083,479
2038	4,824,134	1,433,625	-	6,257,759	13,718,012	-	13,718,012	7,460,254	40,543,733
2039	4,651,461	1,385,838	-	6,037,298	14,129,552	-	14,129,552	8,092,254	48,635,987
2040	3,595,363	1,338,050	-	4,933,413	14,553,439	-	14,553,439	9,620,027	58,256,014
2041	3,021,600	1,290,263	-	4,311,863	14,990,042	-	14,990,042	10,678,180	68,934,193
2042	2,918,000	1,242,475	-	4,160,475	15,439,743	-	15,439,743	11,279,268	80,213,462
2043	2,814,400	1,194,688	-	4,009,088	15,902,936	-	15,902,936	11,893,848	92,107,310
2044	1,630,800	1,146,900	-	2,777,700	16,380,024	-	16,380,024	13,602,324	105,709,634
2045	1,570,400	1,099,113	-	2,669,513	16,871,425	-	16,871,425	14,201,912	119,911,546
2046	-	1,051,325	-	1,051,325	17,377,567	-	17,377,567	16,326,242	136,237,788
2047	-	1,003,538	-	1,003,538	17,898,894	-	17,898,894	16,895,357	153,133,145
2048	-	-	-	-	18,435,861	-	18,435,861	18,435,861	171,569,006
2049	-	-	-	-	18,988,937	-	18,988,937	18,988,937	190,557,943
2050	-	-	-	-	19,558,605	-	19,558,605	19,558,605	210,116,548
2051	-	-	-	-	20,145,363	-	20,145,363	20,145,363	230,261,912
Totals	\$114,192,878	\$ 29,150,375	\$ -						

# Debt Model



A	B Debt Capacity		D Debt Affordability (FY 2029 Dedicated Tax Rate Equivalent)				H Targeted Case Case I \$75mm Issuance FY 2028
	Case A Maximize Debt to Assessed Value Ratio (2%)	Case B Maximize Debt Service to Expenditures Ratio (15%)	Case 1 No Tax Rate Equivalent Dedicated	Case 2 1¢ Equivalent Tax Rate Dedicated	Case 3 3¢ Equivalent Tax Rate Dedicated	Case 4 5¢ Equivalent Tax Rate Dedicated	
1 Additional Debt Capacity <sup>1</sup>							
2 FY 2027 - 2021 GO Authorization <sup>2</sup>	\$19,115,000	\$19,115,000	\$19,115,000	\$19,115,000	\$19,115,000	\$19,115,000	\$19,115,000
3 FY 2028	\$124,000,000	\$17,800,000	\$27,750,000	\$39,925,000	\$64,275,000	\$88,625,000	\$75,000,000
4 FY 2029	\$23,500,000	\$8,000,000	\$0	\$0	\$0	\$0	\$0
5 FY 2030	\$25,250,000	\$10,240,000	\$0	\$0	\$0	\$0	\$0
6 FY 2031	\$26,250,000	\$9,560,000	\$0	\$0	\$0	\$0	\$0
7 FY 2032	\$29,250,000	\$10,425,000	\$1,050,000	\$3,325,000	\$7,920,000	\$12,475,000	\$0
8 FY 2033	\$30,500,000	\$11,050,000	\$8,975,000	\$10,025,000	\$12,025,000	\$14,125,000	\$0
9 FY 2034	\$32,700,000	\$8,890,000	\$7,250,000	\$8,075,000	\$9,775,000	\$11,400,000	\$0
10 Total Debt Capacity	\$310,565,000	\$95,080,000	\$64,140,000	\$80,465,000	\$113,110,000	\$145,740,000	\$94,115,000
11 Additional Capacity FY 28 - 34	\$291,450,000	\$75,965,000	\$45,025,000	\$61,350,000	\$93,995,000	\$126,625,000	\$75,000,000
12							
13 Total Debt Service	\$484,138,799	\$147,740,856	\$99,439,803	\$124,925,087	\$175,887,849	\$226,827,195	\$146,234,375
14							
15 Debt Ratios (Worst Shown)							
16 10-Year Payout (50%)	54.12%	62.88%	61.40%	59.90%	57.59%	55.90%	56.78%
17 Out of Compliance	0	0	0	0	0	0	0
18 Debt to Assessed Value (2%)	2.00%	1.02%	1.11%	1.22%	1.45%	1.67%	1.55%
19 Out of Compliance	0	0	0	0	0	0	0
20 Debt Service vs. Exp. (15%)	28.69%	15.00%	16.09%	17.39%	19.87%	22.21%	20.92%
21 Out of Compliance	17 Years	-	2 Years	3 Years	8 Years	9 Years	6 Years
22							
23 Tax Equivalent Impact (FY 29)	12.96 Cents	1.17 Cents	N/A	1.00 Cent	3.00 Cents	5.00 Cents	3.87 Cents

<sup>1</sup> Debt Capacity / Affordability Debt is assumed to be issued in the spring of the FY of issuance and amortized over 20 years with Level Principal payments beginning the Fiscal Year following issuance at a 5.344% interest rate.

<sup>2</sup> 2021 GO Authorization committed to Jones Sausage Road & Meadowbrook Park.

*Each additional penny dedicated to debt service in FY 2029 provides approximately \$16 million of additional Debt Affordability in FY 2028 - 2034.*



# Debt Model



A	B		C	D				E	F	G	H
	Debt Capacity			Debt Affordability (FY 2029 Dedicated Tax Rate Equivalent)							Targeted Case
	Case A	Case B		Case 1	Case 2	Case 3	Case 4				Case I
	Maximize Debt to Assessed Value Ratio (2%)	Maximize Debt Service to Expenditures Ratio (15%)		No Tax Rate Equivalent Dedicated	1¢ Equivalent Tax Rate Dedicated	3¢ Equivalent Tax Rate Dedicated	5¢ Equivalent Tax Rate Dedicated				\$75mm Issuance
											FY 2028
1	Additional Debt Capacity <sup>1</sup>										
2	FY 2027 - 2021 GO Authorization <sup>2</sup>			\$19,115,000	\$19,115,000	\$19,115,000	\$19,115,000	\$19,115,000	\$19,115,000	\$19,115,000	\$19,115,000
3	FY 2028			\$69,000,000	\$17,865,000	\$13,560,000	\$19,055,000	\$30,055,000	\$41,000,000	\$75,000,000	\$75,000,000
4	FY 2029			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	FY 2030			\$69,000,000	\$17,865,000	\$13,560,000	\$19,055,000	\$30,055,000	\$41,000,000	\$75,000,000	\$0
6	FY 2031			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	FY 2032			\$69,000,000	\$17,865,000	\$13,560,000	\$19,055,000	\$30,055,000	\$41,000,000	\$75,000,000	\$0
8	FY 2033			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	FY 2034			\$69,000,000	\$17,865,000	\$13,560,000	\$19,055,000	\$30,055,000	\$41,000,000	\$75,000,000	\$0
10	Total Debt Capacity			\$295,115,000	\$90,575,000	\$73,355,000	\$95,335,000	\$139,335,000	\$183,115,000	\$94,115,000	\$94,115,000
11	Additional Capacity FY 28 - 34			\$276,000,000	\$71,460,000	\$54,240,000	\$76,220,000	\$120,220,000	\$164,000,000	\$75,000,000	\$75,000,000
12											
13	Total Debt Service			\$460,019,495	\$140,708,010	\$113,825,524	\$148,138,941	\$216,828,221	\$285,174,055	\$146,234,375	\$146,234,375
14											
15	Debt Ratios (Worst Shown)										
16	10-Year Payout (50%)			57.22%	59.94%	63.17%	62.68%	61.10%	59.78%	56.78%	56.78%
17	Out of Compliance			0	0	0	0	0	0	0	0
18	Debt to Assessed Value (2%)			2.00%	1.32%	0.98%	1.03%	1.15%	1.35%	1.55%	1.55%
19	Out of Compliance			0	0	0	0	0	0	0	0
20	Debt Service vs. Exp. (15%)			28.23%	15.00%	14.52%	15.23%	18.37%	21.40%	20.92%	20.92%
21	Out of Compliance			17 Years	0	-	4 Years	9 Years	12 Years	6 Years	6 Years
22											
23	Tax Equivalent Impact (FY 29)			10.27 Cents	.78 Cents	N/A	1.00 Cent	3.00 Cents	5.00 Cents	3.87 Cents	3.87 Cents

<sup>1</sup> Debt Capacity / Affordability Debt is assumed to be issued in the spring of the FY of issuance and amortized over 20 years with Level Principal payments beginning the Fiscal Year following issuance at a 5.344% interest rate.

<sup>2</sup> 2021 GO Authorization committed to Jones Sausage Road & Meadowbrook Park.

*Each additional penny dedicated to debt service in FY 2029 provides approximately \$22 million of additional Debt Affordability in FY 2028 - 2034.*





# CIP Horizon Project Update



# Retreat Follow-up

- What we heard regarding projects:
  - In support of the Public Works Center
    - \$55 million projected cost
  - Supportive of Sauls Road Public Safety Center
    - Town share approximately \$7m
    - Work to secure adjacent property and secondary road access (may require additional funding)
  - Move forward on partnerships and early design on Ackerman and Wilmington as they become available
  - Move forward with Station 6/EOC/Training Center
    - Currently evaluating land opportunities
    - Considering a phased approach



# Retreat Follow-up

## Prioritized Horizon Projects

### Parks

- Lake Benson Boathouse - \$5m
- Avery Street Annex Renovation - \$3m
- Yeargan Phase 2, \$27.5 m

### Transportation

- Ackerman Rd Construction
- Wilmington Rd Construction
- Jones Sausage South, \$15m
- Jones Sausage West, \$5m

### Public Facilities

- Future Town Hall Expansion, \$14m
- Yeargan Homestead Restoration and Future Use, TBD
- Rand Bryan House Restoration and Future Use, TBD

### Stormwater

- Study Stormwater Major Repairs, \$8m
- Downtown Regional Structure, TBD



# Retreat Follow-up

- CIP Inventory provided by the end of FY26
  - Update based upon projects that have been completed
  - Working to incorporate Fire needs
- What's next?
  - Lake Benson master plan update – Boathouse project
  - Meadowbrook design and construction of phase 1



# Next Steps

- CIP adoption with FY27 Adopted budget in June
- Fall work session on CIP Horizon Projects
  - Review project inventory
  - Prioritize projects
  - Determine future borrowing