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5/28/06

REPORT OF THE BLUE RIBBON COMMITTEE ON THE FUTURE OF WAKE COUNTY

JUNE 2006

EXECUTIVE SUMMARY

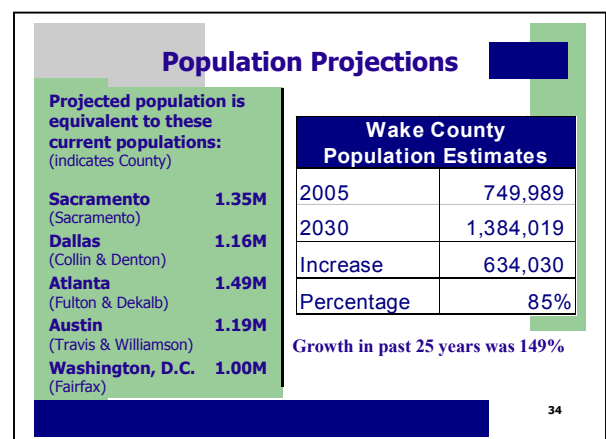
A true community is much more than bricks and mortar. It is defined not simply by how it looks, but also by how it operates, by the richness of its social fabric, and by the spirit of its people. But any great city or county starts first with bricks and mortar – the buildings, roads, water lines and other infrastructure that create the foundation for us to stand upon and function as a society.

Wake County citizens have long supported responsible investment in quality infrastructure to create the foundation for a successful, positive place in which to live, work, learn and raise families. In recent years, our citizens have demonstrated their commitment to a successful future with resounding support for funding public schools, libraries, jails, open space preservation and workforce development and training provided by Wake Technical Community College.

Wake County is at a critical juncture. We want to continue being recognized nationally and internationally as one of the best places to live and run businesses, but we know we have to plan solidly for our future if that wish is to come true. Sound planning includes not just a blueprint for the buildings to meet the needs of a growing population, but having strategies in place for how we are going to pay for these capital projects.

The Wake County Board of Commissioners established the Blue Ribbon Committee on the Future of Wake County in December 2005, with the charge of examining projected growth needs for the next 25 years and recommending funding strategies. The committee of 65 business and civic leaders brought to the table a tremendous amount of valuable expertise and experience, representing a broad spectrum of interests and viewpoints. The economic health of our county should be a major consideration in its long-range planning, and we are pleased for the opportunity to have a voice and a role in shaping this critical aspect of our future.

The challenges facing us are daunting, but not insurmountable. By 2030, Wake County's population is expected to nearly double, to 1.4 million. The number of students in the Wake County Public School System is expected to reach 282,000, more than double the current level of about 120,000. Wake Tech's student population is projected at 103,720 in 2030, up from 52,300 now. We expect to need between



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3,200 and 3,800 jail beds, compared with the existing 1,320. And in Wake County, an average of 27 acres of land are converted from natural to built environments everyday.

It is clear that we cannot stand still if we are to progress responsibly toward a future that preserves the standards of education and quality of life that we currently enjoy. We well understand that we need to maintain our high standards for quality if we are to remain competitive in a global economy. And that means that we need to continue making prudent investments in our infrastructure.

PROCESS

The committee began its work on January 3, 2006. In order to make informed decisions about funding strategies, the committee needed to understand and assess the planning already underway for major infrastructure needs. To that end, we received comprehensive presentations on the following topics:

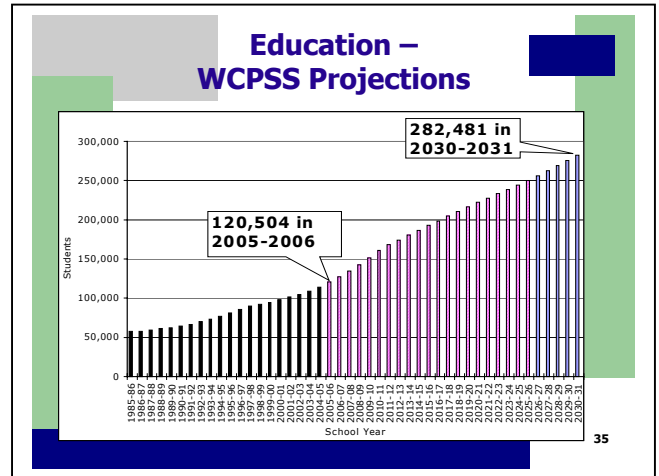
- Wake County Demographics and Population Trends
- Economic Development and Jobs
- The Wake County Public School System Long-Term Capital Plan
- Wake Technical Community College's Long-Term Capital Plan
- The Countywide Water/Sewer Plan
- Wake County's Parks & Open Space Preservation Plan
- Wake County's Criminal Justice Facilities Master Plan
- Roads and Transportation Needs
- Wake County's Finances
- Financing Mechanisms Used by Other High Growth Areas (peer counties)

To delve more deeply into these areas and begin formulating recommendations, the committee divided into the following seven work groups aligned with the topics: Criminal Justice Facilities, Finance, Parks & Open Space, Public Schools, Transportation (Mobility Choices), Wake Tech and Water/Sewer Planning. The work groups met with topic experts and key staff to learn as much as they could about the plans before formulating recommendations and reporting out to the full committee on May 9.

With issues this complex and solutions this challenging, the Blue Ribbon Committee understood that it would be difficult to reach absolute agreement on all points, and therefore, chose to operate by consensus – that is to say, the committee sought common ground, workable solutions and compromises as necessary to offer recommendations for the greater good of the community.

PROJECT INVENTORY AND FUNDING GAPS

The committee was charged, in part, with compiling an inventory of current infrastructure plans and projected costs for public and technical schools, transportation, water and sewer, libraries, parks, open space, jails and public buildings, and determining funding needs and gaps.



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The work groups examined the long-term capital plans for each area from now until 2030 and determined that a funding gap exists in all cases but for water and sewer plans, which are typically funded with user fees charged to customers by the municipal providers.

The other exception is for transportation and roads. While a funding gap of \$6 billion was determined, roads and mass transit generally are paid for by federal and state dollars, which removes that topic from direct County responsibility. However, because roads and traffic issues play such a vital role in the local economy and our community's quality of life, the Wake County Board of Commissioners has a clear leadership and partnership responsibility in promoting regional transportation solutions, even if they don't involve direct expenditure of County dollars. Additionally, Wake County needs much stronger support from the state and federal governments to meet our transportation needs and responsibilities.

<u>Capital Area</u>	<u>Projected Funding Needs to 2030</u>	<u>Anticipated Funding</u>	<u>Are Existing Revenue Sources Sufficient to Fund This Plan?</u>	<u>What is the Gap?</u>
Public Schools	\$11.7 billion	Tax supported debt	No	\$11.7 billion
Water/Sewer	\$1.2 billion	User fees to customers	Yes, assuming user fees are approved at projected rates	None
Wake Tech	\$618.1 million	Tax supported debt	No	\$618.1million
Criminal Justice Facilities (courthouse, jail)	Phase I: \$464.9 million	Tax supported debt	Yes, included in county's current CIP	None for Phase I
	Phase II: \$361.6 million		No	\$361.6 million
Open Space	\$300 million	Tax supported debt and partnerships	No	\$300 million
Transportation/Roads	\$12 billion	Traditional federal and state dollars	No	\$6 billion

Total: \$18.98 billion

KEY RECOMMENDATIONS

Based on the plans outlined for major capital projects, this committee understands and believes that additional revenue resources are necessary to meet the demands of growth. We understand and accept that committee members may have differences about the details and funding levels of some of the proposed capital plans, but those differences will not be resolved here and, indeed, that is not our mission.

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We are examining projects that are being planned for the next 25 years, so it is impossible to state with any certainty today what the actual costs will be, or even what the projects will ultimately look like, given an ever shifting regulatory environment, advances in technology and other developments that cannot be foreseen at this time. However, by taking the long view and regarding the overall plans and needs from a bigger picture perspective, we are able to agree that regardless of the exact funding level for specific plans, the existing funding sources available today are not sufficient.

This committee believes that more property tax resources are needed to fund the projects that are planned to meet projected growth needs. We also acknowledge that property taxes cannot pay for all of the needs, and we have identified alternate funding strategies. The recommendations from each work group are outlined more fully in a later section of this report. In general, the following areas garnered consensus support of the committee and should be considered as key recommendations to the Wake County Board of Commissioners:

General:

1. Reassess real property (land and buildings) every four years, instead of the current schedule of every eight years.
2. Maintain the current level of property taxes, rather than lowering them during revaluation years.
3. Seek authority to levy a 1% local sales tax that would be used for infrastructure needs. *[[Note: Schools work group recommends a 1% sales tax dedicated to schools, while Mobility Choices work group recommends that it be shared with both education and open space.]]*
4. Increase the property tax base by removing exclusions for governmental and nonprofit entities.

To support public schools:

5. Establish a real estate transfer tax of up to 1%, dedicated to public school capital.
6. Seek legislative approval for increasing the cap on charter schools (at least in Wake County) to help reduce the capital needs.
7. Seek legislative approval to pursue public/private partnerships that reduce costs on a long-term basis.
8. Expand the use of year-round schools as a cost control.
9. Include technology costs in the Wake County Public School System \$5.6-billion plan as capital, and count the costs of replacing hardware on a five-year cycle as a renovation in the capital budget.
10. Consider changes in school design that reduce costs but improve efficiency, as long as academic experience is not impaired. (The work group specifically voted against eliminating arts, athletics or electives.)

To support water resource needs:

11. Build the Little River Reservoir sooner than 2025 to provide additional water resources for Wake County residents.
12. Explore opportunities to obtain additional water sources outside of Wake County.

13. Continuing advancing efforts that will lead to the proposed regional water/sewer system for Wake County.
14. Emphasize water conservation with public education and use of rate structures.
15. Expand investment in reclaimed water facilities.
16. Evaluate long-term maintenance and replacement needs.
17. Use annexation and zoning processes to reduce reliance on wells and septic systems.
18. Explore advanced nutrient removal systems.

To support criminal justice efforts:

19. Implement plans to build a new 340,000-square-foot criminal courthouse on a site adjacent to the existing Public Safety Complex in downtown Raleigh, renovate the existing courthouse as a civil-family courthouse and build a new 100,000-square-foot facility to house public records and selected administrative components.
20. To the extent that all of the space in the building is not needed immediately for courtrooms and support functions, the County should consider upfitting that space and leasing it to the private or nonprofit sector that would benefit from being in that setting (for example, defense attorneys or substance abuse programs).
21. Develop a partnership with the City of Raleigh and the private sector to provide for parking needs related to the criminal justice complex. Specifically, develop a new 900-car parking deck jointly with the private sector.
22. Implement Phase II of the Justice Facilities Master Plan for Hammond Road, including the relocation of the booking and central identification, food preparation, and laundry functions to the Hammond Road Complex, along with the construction of 720 additional bed spaces.
23. Consider purchasing a small additional parcel of undeveloped land adjacent to the Hammond Road site to allow for further expansion as needed, and to provide a location for programs and organizations that might serve the jail population or provide alternatives to jail.
24. Commission a study to determine the implication of de-centralizing Traffic Court out of downtown in order to reduce the number of people required to come to the Courthouse to handle traffic offenses.
25. Include in the County's legislative agenda the need to fund the increased costs for judges and appropriate support staff to handle the ever growing need for efficient and fair adjudication.
26. Continue to work with the State to develop a comprehensive program to provide and improve alternative services for defendants identified to have histories of mental health and substance abuse problems.
27. Continue to fund programs that expand the operation of safe alternatives to incarceration and the initiation of Internet-based programs that allow greater use of technology to file cases, pay fines and fees, and access procedural information regarding court matters.

To preserve open space:

28. Expand the open space preservation program so that its goal is to preserve 35% of the total county land mass, or just under 200,000 protected acres, rather than the current goal of 30%, or 135,000 acres.
29. Establish a 5% fee as part of water and sewer charges, and dedicate it as funding for open space preservation.
30. Focus land acquisition on the following
 - a. Prioritizing stream buffers
 - b. Incentivizing conservation subdivisions
 - c. Parcels that, whenever possible, connect the Greenway system
31. Use creative funding options to acquire open space, such as:
 - a. Matching funds from state, federal and local municipalities
 - b. Corporate and private funding (i.e. Greenway sponsorships)
 - c. Philanthropic venues (including fund raising and donations)
 - d. Bargain sales at less than market value to preserve open space
 - e. Co-development and economies of scale with schools
 - f. Developer participation and incentivization
 - g. Farm and Working Land Preservation Incentives

To support Wake Technical Community College:

32. Seek continued public support to issue general obligation bonds to support Wake Tech's capital needs.
33. Explore the use of revenue bonds to pay for parking construction needs.
34. Consider additional means of paying for Wake Tech construction needs, such as issuing certificates of participation or using a dedicated tax or fees.
35. Pursue donations from individuals, corporations, foundations and endowments to fund Wake Tech's capital and equipment needs.
36. Pursue and encourage public/private partnerships to fund Wake Tech's capital needs, or to provide opportunities for donations or leaseback arrangements.
37. Seek modification of the Umstead Act to encourage more partnerships and collaborations with business and industry to attract donations of equipment, instructional space, hardware and software.
38. Seek the use of tax incentives to encourage donations to support construction of buildings and parking, and equipment purchases.

To support roads/transportation needs:

The mobility system scaling issues faced by the region are too great for any one source of funding to fill the gap. The region possesses the 30-year plan, which will require a number of options and sources. First priority should be placed on developing user-based fees:

39. Support establishment of toll roads to fund Wake County road construction needs. However, this support should clearly and directly be tied to the State of North Carolina prioritizing the NC Highway Trust Fund so that it provides the funding needed at the local level to cover construction costs needed to complete projects in this region.
40. Explore a local gas tax as a means to pay for Wake County road construction needs.

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41. Increase transportation-related user fees (e.g. motor fuels tax, vehicle registration fees, highway use tax).
42. Modernize the distribution formula so that the areas like Wake County that generate higher traffic demands and gas tax revenues receive a larger distribution of the states funding.
43. Permanently end trust fund transfer to general fund.
44. Use land planning and corridor focus to reduce the gap between currently available sources of funding and future needs.
45. Support *ValuExpress* toll lanes or high-occupancy/toll lanes as a strategy for easing traffic congestion, and explore other demand-management tools like ramp meters.

CONCLUSION

The recommendations in this report were made neither hastily nor lightly. They are the measured result of months of work, learning and deliberation by this committee, whose members took their charge seriously. We were privileged to have serving on this committee a group of business and civic leaders who rose to meet their charge with dedication, commitment and a sincere belief in working together for the good of the entire community. All committee members have embraced the challenges set forth, and have been passionate in their commitment to a strong future Wake County.

The work accomplished by this group is a significant step in mapping out Wake County's future, carrying on a tradition of sound planning that has occurred in recent years. This committee believes that its work is part of the legacy we are leaving to our children and our community, that it will make a notable difference in how Wake County looks and feels for our next generations who will live, learn, work, play and raise their own families here.

It is said that we shape our communities, and our communities shape us. It is quite evident that we have had at the table the best minds, the most positive attitudes and the energy and creativity needed to shape the best possible Wake County as it continues to grow and change. We now call upon our elected officials to act boldly, with vision and a sense of urgency, in responsibly carrying out the plans that build upon Wake County's current strong foundation and that will ensure that we maintain a world-class quality of life here.

Blue Ribbon Committee on the Future of Wake County

COMMITTEE MISSION & CHARGE

The committee's mission and charge is to:

- Compile an inventory of current infrastructure plans and projected costs for public and technical schools, transportation, water and sewer, libraries, parks, open space, jails and public buildings.
- Determine funding needs and gaps.
- Prepare a draft report of recommended solutions to meet those gaps (this will include exploring funding strategies used or available to meet growth requirements in other fast-growing regions).
- Conduct a community forum to share the draft report and receive feedback.
- Prepare a final report to be delivered to the Board of Commissioners by May 30, 2006.

MEMBERS

Blue Ribbon Committee on the Future of Wake County

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Frank Holding Jr., Co-Chairman

Ann-Cabell Baum Andersen	Clyde Holt	Clarence Newsome	Steve Stroud
Thomas Anhut	John Hood	James Oblinger	Dianne Boardley Suber
Sepideh Asefnia	Sig Hutchinson	John Odom	Keith Sutton
Bill Atkinson	David Johnson Jr.	Sheila Hale Ogle	James Talton Jr.
Denise Bennett	Ed Johnson	Bill Owens	Ben Taylor
Thomas Bradshaw	George Jones	Thomas Oxholm	Brad Thompson
John Brantley	Lucius Jones	Ed Paradise	Carl Trice
Tim Clancy	David Lazzo	Virginia Parker	Angela Velazquez
Frank Daniels Jr.	Tara Lightner	Doyle Parrish	Mike Walden
Ron Doggett	Robert Luddy	J. Gregory Poole III	Rick Weddle
Van Eure	Sonya McKay	Al Ragland	Dale Whitworth
Linda Folger	Assad Meymandi	Neil Rudolph	Bob Winston
Tommy Fonville	Tim Minton	Mary Nash Rusher	Carter Worthy
James Goodman	Amos Mitchell	Perry Safran	Smedes York
Rick Guirlinger	Lou Mitchell	Stephen Scott	Philip Zachary
Jim Herbst	Charles Neely Jr.	David Strong	

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Mayor Ernie McAlister, Cary	Mayor Nancy Kelly, Rolesville
Mayor John Byrne, Fuquay-Varina	Mayor Vivian Jones, Wake Forest
Mayor Ronnie Williams, Garner	Mayor Tim Hinnant, Wendell
Mayor Dick Sears, Holly Springs	Mayor Bob Matheny, Zebulon
Mayor Doug Boyd, Knightdale	Board of Education Chair Patti Head
Mayor Jan Faulkner, Morrisville	Richard Stevens, N.C. Senate
	Jennifer Weiss, N.C. House

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Harold Webb, Vice Chairman
Joe Bryan
Herb Council
Kenn Gardner
Phil Jeffreys
Betty Lou Ward

BLUE RIBBON COMMITTEE
WORK GROUP REPORTS – MAY 9, 2006

This section includes background information about the major infrastructure topics, with summaries of the long-term plans presented to the Blue Ribbon Committee. It also contains the reports of the seven Blue Ribbon work groups, as formulated on April 25 and reported to the full committee by each work group on May 9, 2006.

CRIMINAL JUSTICE FACILITIES

PLAN SUMMARY

On March 30, 2006, Phil Stout and Steve Carter presented Wake County's 30-year Criminal Justice Facilities Master Plan. Phil Stout is the county's director of Facilities Design and Construction, the department that oversees building projects and land acquisition. Steve Carter is a justice facility planning consultant, and founder and managing partner of Carter Goble Lee Associates.

In North Carolina, the state is responsible for the criminal justice system, which means it pays for staffing and court technology/automation, while counties are responsible for facilities to house the courts and staff. The state reimburses the county about half the \$62/day/person detention costs.

The County's population is expected to double from 2000-2030, to nearly 1.4 million people. This will increase court caseloads and the numbers of people in jail. Projections for caseload growth from 2000-2030 are:

- Total Superior Court Filings: +72%
- Total District Court Filings: +122%
- Total Civil Court Filings: +80%
- Total Criminal Court Filings +124%

Other projections include:

Judiciary

- Number of judges to increase from 21 in 2000 to 43 in 2030.
- Support staff for the Court to increase from 326 in 2000 to 933 in 2030.
- Space requirements for the courts is projected to increase from 300,000 SF to 600,000 SF.

Detention

- Increase in average daily population (ADP) will be related to the length of time to process cases in the Courts.
- The total ADP is projected to increase from 821 in 2000 to 3,133 by 2030.
- The Spring 2006 opening of 416 new bed spaces at Hammond Road will only meet today's ADP.

A team of representatives from the Tenth Judicial District, the Sheriff's Office, City-County Bureau of Identification and 10 county departments, led by Carter Goble consultants, has collaborated on a master plan for new court and office facilities in downtown Raleigh.

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The highlights are:

- Judicial, County Administration, and Public Records functions will remain in the Downtown area of Raleigh.
- County buildings in the new “Justice Plaza” will connect to a new central energy plant for greater energy and cost efficiency.
- The existing 40-year old Courthouse will be refurbished and remain as the Civil-Family Courthouse.
- A new Criminal Courthouse will be connected to the adjacent Public Safety Center and the existing Courthouse by tunnel to improve efficiency and safety.
- Future detention needs will be met at the Hammond Road site acquired in 2000.

The costs are estimated at:

• Phased development plan between fiscal 2007 and 2013: design and construct new Criminal Courthouse, Public Records space, 720 additional bed spaces at Hammond Road, and new structured parking.	\$464.9 million
• From fiscal 2014 to 2029: complete the remaining four phases at Hammond Road, upgrade portions of the Public Safety Center, and renovate the existing Courthouse for additional Civil-Family Court support space.	\$361.6 million
Total	\$826.5 million

WORK GROUP REPORT

The Criminal Justice Committee of the Blue Ribbon Committee makes the following findings and recommendations regarding Wake County’s approach to its infrastructure needs for the criminal justice system over the next 25 years:

Core Values and Critical Findings:

1. The foundation of the Wake County criminal justice system is the right to a fair and speedy administration of justice – that is, justice is fair, efficient and compassionate and that the sanctions are commensurate with the crime.
2. Wake County and the State of North Carolina must address the critical needs of the mental health system in the County and the State, particularly in light of the pending closure of Dorothea Dix. The criminal justice system is neither equipped nor resourced to address psychological and substance abuse issues that are mental health issues rather than criminal ones. The jails must NOT become the substitute for mental health services and care in the County.
3. County jails are predominantly a pretrial system for defendants awaiting adjudication. The system must strive to protect both the wrongly accused and the victims of crime. Thus, the desire to have a speedy trial (and the attendant costs associated with each day a defendant spends in jail) must be balanced against the need to be sure that trial is fair.

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4. A sustained, efficient, and effective criminal justice system should include the following elements, among others:
 - Efficient, fair, and effective court system;
 - Administration of sanctions that are commensurate with the severity of the offense;
 - Accessible staff and facilities that expedite the administration of justice.
5. While the population of Wake County is expected to increase by 85% between now and 2030, the average daily population (ADP) in the Wake County detention is expected to increase by 150%. That rate of growth in part reflects the fact that more population will result in an increase in the criminal element. An increase in the number of arrestees puts a greater burden on the court system (DA's, public defenders, bailiffs, courtroom staff, judges) to keep up with the goal of providing efficient and fair adjudication. The greater the number of persons incarcerated waiting trial, the more time is required for each step in the process from arrest to conviction, which results in the detainees occupying jail space longer. As the average length of stay (ALOS) increases, more jail beds are needed.
6. The County's ADP in its jails in 2005 was 1,193 (as opposed to Mecklenburg County, which had an ADP of 2,178). The ALOS in the County presently is approximately 13 days (as compared to 23.6 days in Mecklenburg County). The County currently has 1,320 detention beds. It projects that it will need as few as 3,200 and as many as 3,800 beds by 2030, depending on how efficient the County's criminal justice system is in providing efficient justice, and how well the County is able to keep ALOS down.

Specific Infrastructure Needs

1. Courthouse and courtrooms. Growth of more than 20 judges and 600 court support staff by 2030 requires a new courthouse and related spaces in order to provide efficient and effective adjudication.
2. Jail Space. The expected increase in ADP will require the continued expansion of bed spaces at the County's Hammond Road Detention Complex.
3. Mental Health Facilities. The County and the State must be willing to put resources into the mental health system to address the large number of inmates suffering from substance abuse and mental illness, thereby addressing in part the high percentage of recidivists and to minimize the continued increase in the average length of stay in detention. This effort must be a comprehensive, community-based effort that works with the criminal justice system but does not rely on the jails to provide housing for its mentally ill citizens.
4. Technology. The County should continue its investment in technology that reduces the need for personal interaction between the Court and litigants, as well as other technological applications. Such technology reduces the need for inmate transportation, improves accessibility, reduces parking demands, enhances public safety, and eliminates duplication of services.
5. Training and Personnel. Improved law enforcement training and evidence management will require an investment in training, testing and storage facilities. Every opportunity for jurisdictional cooperation and resource sharing for training, labs, testing, etc. (e.g., between the

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State Highway Patrol, Wake County Sheriff's Department, and city police departments) should be explored.

6. Public Records. Additional space and technology is needed for the retention and maintenance of public records.

Immediate Plan of Action (FY2007-13)

In order to meet the needs of the criminal justice system in the County for the next 25 years, the County must focus on both short-term and longer terms issues. The Criminal Justice system is a unique responsibility of the County, and it is imperative that the County stay ahead of the growth in need for detention facilities in order to ensure the safety of its citizens and the efficiency and fairness of its justice system. The County has adopted a 30-Year Facilities Master Plan for the Wake County Justice System that strives to meet the core values and anticipated growth of the system, and the Committee endorses much of that Plan as being sufficient to meet anticipated needs. Particular needs that the Committee focused on include the following:

1. The highest capital priority is the development of a new Criminal Courthouse of approximately 340,000 square feet on a site that is adjacent to the existing Public Safety Complex. This state-of-the-art criminal court should be connected to the existing PSC and the existing Courthouse, which will be renovated for use as a Civil-Family Courthouse. A facility to house public records and selected administrative components of approximately 100,000 square feet should be constructed adjacent to the proposed Criminal Courthouse. To the extent that all of the space in the building is not needed immediately for courtrooms and support functions, the County should consider upfitting that space and leasing it to the private or nonprofit sector that would benefit from being in that setting (e.g. defense attorneys, substance abuse programs, etc.).
2. Parking needs should be met through joint efforts with the City of Raleigh and the private sector. To replace the existing County parking garage on the site of the proposed new Criminal Courthouse, a new 900-car parking deck should be jointly developed with the private sector. This facility would ensure safe parking for jurors, visitors and staff while they are involved in court-related activities.
3. Phase II of the Justice Facilities Master Plan for Hammond Road should be implemented, which includes the relocation of the booking and central identification, food preparation, and laundry functions to the Hammond Road Complex, along with the construction of 720 additional bed spaces.
4. The Committee recommends that the County consider purchasing a small additional parcel of raw land that is adjacent to the Hammond Road site to allow for further expansion as needed, and to provide a location for programs and organizations that might serve the jail population or provide alternatives to jail.
5. The County should commission a study to determine the implication of de-centralizing Traffic Court out of downtown in order to reduce the number of people required to come to the Courthouse to handle traffic offenses.

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6. The County should include in its legislative agenda the need to fund the increased costs for judges and appropriate support staff to handle the ever growing need for efficient and fair adjudication.
7. The County must continue to work with the State to develop a comprehensive program to provide and improve alternative services for defendants identified to have histories of mental health and substance abuse problems.
8. While implementing these capital projects, the County should continue to fund programs that expand the operation of safe alternatives to incarceration and the initiation of internet-based programs that allow greater use of technology to file cases, pay fines and fees, and access procedural information regarding court matters.

Capital Requirements and Funding Options

1. The specific construction costs identified in the Immediate Plan of Action (items 1, 2 and 3) will require an estimated \$465 million capital investment from FY2007 through FY 2013. Such an investment will allow the County to meet current needs and to gain a short hedge on future criminal justice system facility needs.
2. Between FY2013 and 2029, an additional estimated \$362 million in capital investment will be required to manage the continued growth in service demands.
3. The costs of the mental health system improvements are beyond the scope of this report, but the County believes that the cost to the County in additional jail construction and ongoing uninsured medical care, will be far greater than the cost of addressing this system now.
4. The Committee endorses the County's phased approach to building additional beds at Hammond Road, as it allows the County to delay or avoid construction of additional beds if other programs and/or a more efficient system reduce the need for additional beds. At the same time, the plans are in place to allow the construction to proceed quickly if the need arises.

PARKS & OPEN SPACE

PLAN SUMMARY

On March 14, 2006, Chuck Flink, the founder and owner of Greenways Incorporated, and the county's open space consultant, presented the Parks and Open Space plans. Mr. Flink is recognized as a leading national authority for the planning, design and implementation of greenway and trail systems and facilities. He has worked on greenway projects in 100 communities and 27 states, as well as in Japan and Canada.

Wake County developed partnerships with all 12 municipalities to create the first ever countywide open space preservation plan. The plan's stated goal is to preserve 30% -- or 165,000 acres -- of the county as open space, including parks and greenways (currently, 11%, or 55,628 acres, is preserved).

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The county's open space preservation program is directly linked to water quality, with highest priority for land acquisition tied to the sensitive stream corridors outlined in the Watershed Management Plan. Several other plans tie to open space preservation efforts, including the Growth Management Plan, transportation plans, the Water and Sewer Plan and Groundwater Protection Plan.

The county's voters have approved two bond referenda for open space: \$15 million in 2000 and another \$26 million in 2004. The funds have been used to partner with municipalities, the state and others to acquire 2,628 acres of open space worth \$38.6 million. Of that amount, the county has contributed \$17.6 million.

Following his presentation, Mr. Flink answered questions, covering areas such as:

- What other areas are doing to speed open space preservation – Charleston County uses a half-cent sales tax, other communities are using the land development process (such as Gwinnett County, which is using conservation subdivisions as the primary mechanism for open space preservation).
- What other like-size counties have the same goal of 30% open space – Charleston County, Gwinnett County, Jefferson County (Colorado – Denver metro area)

WORK GROUP REPORT

1. Definition: Open space is defined as permanently protected lands and waters that are owned and managed by the county, its public sector partners, the 12 municipalities of Wake County, the State, the U.S. Government and private-sector partners including non-profit land trusts. "Open Space" means natural areas that provide community and recreational space, plant and animal habitats, working farm and ranch land, places of natural beauty and critical environmental areas like floodplains and wetlands.
2. We've reviewed at length the importance of a diligent Open Space policy and its broad-reaching effect on all four, key community values. Nevertheless, we know that 27 acres of natural land is being converted daily to some level of "built condition" here. That's equivalent to an Umstead Park-and-a-half annually. We learned in the earlier session on Open Space that given the current rate of growth and development, an estimated 78 percent of Wake County land will be developed by the year 2020.
3. Existing protected open space is approximately 10% of all Wake County land. The current goal for protected space is 30% by 2030, or approximately 165,000 acres.
4. 30% is the midway point between the recommended extremes of open space conservation, 20-40%. Our Committee's question is this: Wake County has no history of "settling" for middle ground in anything else, why would we pick the half-way point on this?
5. To put this into perspective, using the current population of Wake County, were we to protect all 165,000 acres proposed, the Open Space allocation per person would be some 10,000 square feet. However, taking into account the population will increase 84% in the next 25 years, applying that 165,000 acres to the new projected population in 2030 of 1.384 million people reduces the per person open space allocation to 5246 square feet. 'Still sounds like plenty until you consider that much of that permanently protected space includes surface water, farms, golf courses and other private property, flood plains and space that is, generally, inaccessible to the public at large. In fact, taking all of that into account, and the per person USABLE open space allocation by the year 2030 will be barely larger than a conference table.

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6. To our way of thinking, this is unacceptable, and we recommend the County's Open Space goal be upped to 35% of the total County land mass, or just under 200,000 protected acres. That percentage is still well short of the Open Space goals set by other, forward-thinking communities and counties but more in line with the vision I think we all have for a PERMANENTLY clean, green, healthy Wake County.
7. Land acquisition focus should be on the following
 - a. Prioritizing stream buffers
 - b. Incentivizing conservation subdivisions
 - c. Parcels that, whenever possible, connect the Greenway system
8. How do we fund all that? Ironically, three of those counties with the highest percentage of population growth over the LAST 25 years AND with bond ratings comparable to Wake's offer some insight. Loudon County, VA has a directly attributable portion of property tax that goes to parks and open space, while Gwinnet County, GA has employed a special local option sales tax. Montgomery County, MD levies special use transfer fees (paid by developers) when existing farms are sold and used for purposes other than agriculture. If you've traveled to any of those counties in the last ten years, you recognize their sense of urgency. It's worthy of note that all three enjoy outstanding bond ratings, yet they don't rely solely on general obligation bonds to fund Open Space initiatives.
9. There are other creative funding options as well:
 - a. Matching funds from state, federal and local municipalities
 - b. Corporate and private funding (i.e. Greenway sponsorships)
 - c. Philanthropic venues (including fund raising and donations)
 - d. Bargain sales at less than market value to preserve open space
 - e. Co-development and economies of scale with schools
 - f. Developer participation and incentivization
 - g. Farm and Working Land Preservation Incentives
10. So to recap, we have multiple and broad-ranging community values, we have the resources (for now, at least), we have creative financing options and we have the will--and the willingness--of the populace to aggressively, but in a fiscally responsible manner, make Wake County a shining example of Open Space Stewardship.

Henry David Thoreau said "One is wise to cultivate the tree that bears fruit in our soul." Thoreau also said, "Do not worry if you have built your castles in the air, for that is where they should be. Now, put the foundations under them." In the opinion of this committee, a forceful, determined agenda of Open Space Protection that is the true soul and foundation of the vision—the castles, if you will—that we all have for the Wake County of 2030.

PUBLIC SCHOOLS

PLAN SUMMARY

On February 24, 2006, Wake County Public School System (WCPSS) Superintendent Bill McNeal outlined the needs for new schools and renovations from now to 2010, and discussed the upward trend in end-of-grade tests

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for all students. He said that Wake's schools are successful, with a record number honored as Schools of Excellence (61) and Schools of Distinction (43). He also outlined the impacts of growth as:

- Goal: 95% building utilization; Reality: 102% utilization
- Excessive mobile and modular classrooms – Goal: only 8 percent in mobile/modular; Reality: 17 percent in mobile/modular, including 24 percent of elementary students
- Strain on existing facilities
 - Aging buildings need renovation every 40 years.
 - \$1.1 billion needed for major renovations over next 10 years.
 - Priority on health/safety and maintaining our investment in our infrastructure.
- Strain on faculty and staff.
- Changing student body
 - *Increase in non-English speakers*
 - *Special Needs students*
 - *Increase in students receiving free/reduced lunch*
- More Students = More Schools = New Operating Expenses
 - *Staffing*
 - *Maintenance*
 - *Utilities*

Mr. McNeal presented three options currently under consideration for new schools and renovations through 2010, ranging from \$1.375 billion to \$1.975 billion depending on how many schools are converted to year-round calendars.

WORK GROUP REPORT

The current infrastructure inventory does not meet the goals we identified as desired by our community. The Wake County Public School System's 10-year, \$5.6-billion plan for new schools and renovations we feel will meet the needs. Current funding sources are inadequate to meet those needs.

We discussed numerous ways to increase revenue or decrease the costs needed to meet the needs and, in fact, voted in order to achieve our recommendations. It is fair to say that the whole work group felt that our recommendations should be received with the understanding that there should be no negative impact on school operations or academic performance as a result of these changes. We will also have a minority opinion provided by Mr. Luddy.

Recommendations of Strategies – Revenue

1. Due to the immediacy of the infrastructure needs, we recommend a 10-cent property tax increase, raising \$70 million, allowing debt of \$700 million which, added to the \$625 million that can be issued without a tax increase, will provide \$1.3 billion and fund the WCPSS lower level of need for four years while providing some school choice.
2. We recommend that property values be reassessed by the County every four years instead of eight years, providing the opportunity for revenue growth.
3. We recommend, for the longer term, seeking legislative approval for several growth methods:
 - a) Up to a 1% sales tax dedicated to public schools.
 - b) A real estate transfer tax of up to 1%.

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- c) Increase the property tax base by removing exclusions for governmental and nonprofit entities.

(It should be noted that the work group specifically **does not recommend** impact fees as a viable method, nor use of local income taxes.)

Recommendations of Strategies – Costs

4. Changes in school design that reduce costs but improve efficiency, as long as academic experience is not impaired. (The work group specifically voted against eliminating arts, athletics or electives.)
5. We recommend seeking legislative approval for increasing the cap on charter schools (at least in Wake County) to help reduce the capital needs. (We **do not recommend** the use of tuition tax credits or vouchers to encourage private school attendance.)
6. We recommend seeking legislative approval for the County pursuing public/private partnerships that reduce costs on a long-term basis.
7. We recommend expanding the use of year-round schools as a cost control (we were not able to clearly define or resolve or support using the word “mandatory”).
8. We are not sure whether expanded use of technology is a cost saver, or even whether it is a capital or operating expense. We are certain that it is important in education and recommend including the costs of providing the technology in the WCPSS \$5.6-billion plan as capital, and counting the costs of replacing hardware on a five-year cycle as a renovation in the capital budget.

Unresolved Issues

1. The significant dependence of public schools on the Wake County Board of Commissioners’ annual appropriation for operational funding – \$250 million this year. That is an issue that another group should resolve but in the meantime, we recommend that county funding of operations keep up with student growth and inflation.

PUBLIC SCHOOLS – MINORITY REPORT BY ROBERT LUDDY

The Blue Ribbon Committee on the Future of Wake County was charged with assessing current and projected needs and finding solutions to meet those needs – “to responsibly meet the demands of future growth” and create a positive environment for future generations. It has failed.

The Blue Ribbon Committee has abandoned its fiduciary responsibility to the citizens of Wake County.

The Blue Ribbon Committee has failed its solemn fiduciary responsibility to find the best *and* most cost-effective solutions for Wake County’s citizens and those to come.

For example, the Blue Ribbon Committee’s Schools Work Group accepted the Wake County Public School System’s (WCPSS) assertions without question. It refused to explore and endorse all reasonable cost-saving measures *before* determining what financing was necessary. As a result, the Schools Work Group imprudently rubberstamped the WCPSS’s massive, multi-billion school construction bond with tax increases that would burden our children and deny them opportunities.

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According to the May 10-11 Research 2000/*News & Observer* poll, Wake County voters oppose the Blue Ribbon Committee-endorsed bond proposal of \$998 million plus tax increases by a margin of 59 to 27 percent.

Voters understand that “the power to tax involves the power to destroy.” (Chief Justice John Marshall).

The Blue Ribbon Committee has failed to endorse all reasonable cost-saving measures to produce excellent schools.

The Blue Ribbon Schools Work Group supported adding more charter schools, but rejected many other reasonable, cost-minimizing measures to produce excellent schools. They included proposals to:

- **Scale-down school construction costs and build smaller, community schools.** Smaller, lower-cost community schools could be constructed quickly to meet growth demands and land limitations. Community schools are favored by the public and would solve the crisis of reassignments.
- **Decentralize Wake County school management.** Decentralizing school management would increase quality and lower cost.

The big-spending Blue Ribbon Committee must be replaced or retooled.

The Blue Ribbon Committee has become a sales dealer for new projects and a plethora of new taxes that will threaten, not safeguard the future of Wake County. It should be replaced by a Commission for Innovation, Cost Savings, and Improvement. This commission would be charged with developing excellent, entrepreneurial ideas to improve life in Wake County and safeguard its economic future. To that end, the commission would not be permitted to support more onerous taxes.

Many of the Blue Ribbon Committee members are big spenders and consequently opposed to finding responsible solutions to Wake County’s needs. The big spenders are an example of Public Choice theory – an economic theory for which James Buchanan of George Mason University won the Nobel prize in economics in 1986. Public Choice theory holds that legislators and bureaucrats are guided by essentially the same self-interested motives guiding consumers and business decision-makers, that public choices are akin to private choices, and that accordingly, rules for the wise use of public resources are necessary.

Three recent polls have strongly confirmed that the voters have had enough of the big spenders dressed as philanthropic civic leaders. Voters do not accept the irresponsible, new taxes proposed by the Committee.

The success of America is based on innovation, creativity, freedom, and frugality – not increasingly higher taxes. High quality and low cost are not mutually exclusive; indeed, they go hand-in-hand. “Less is more.” (Jason Jennings).

In 1995, Wake County Chairman Gary Pendleton established a tax-saving commission on which I served as chair. We lowered property taxes by 17 percent while privatizing Wake Med, building schools and jails, and providing all essential services required by the county. The county’s economy blossomed in the decade that followed. Low taxes and cost-effective government have been critical to growth and a good standard of living. A sure way to destroy Wake County’s gains is to dramatically raise taxes, which the Blue Ribbon Committee recommends.

Blue Ribbon Committee on the Future of Wake County

If the “No Tax Left Behind” Blue Ribbon Committee is not replaced by the Commission for Innovation, at least the Committee should:

- **Reformat its mission** to provide innovative recommendations for cost savings and quality outcomes.
- **Eliminate all discussion of tax increases.** Life’s Lesson 101 is, “Live within your means.”
- **Include committee members from lower socio-economic levels** – such as carpenters, plumbers, and factory workers.

We have a real problem in Wake County if our so-called best and brightest have one response to growth, namely, more taxes. Voters deserve better, and they know it.

TRANSPORTATION (MOBILITY CHOICES)

PLAN SUMMARY

On March 30, 2006, Ed Johnson, Executive Director of the N.C. Capital Area Metropolitan Planning Organization (CAMPO), and Joe Milazzo II, Executive Director of the Regional Transportation Alliance (RTA), presented “Transportation Trends & Challenges in Wake County.” The population growth and location of employment center has a dramatic impact on travel and roads in Wake County, but the county is not responsible for road construction or maintenance. In North Carolina, only municipalities and the N.C. Department of Transportation build roads.

The speakers said that currently, Wake County fares better than peer areas around the country, such as Charlotte, Atlanta and Austin, in terms of time spent commuting and congestion cost per traveler. However, they said that we are using up the available capacity and that commuting patterns and demographic projections “indicate a ticking time bomb of gridlock on the horizon.”

They said that by 2030’s projected population increase, not only will we have more people on the roads, but the number of trips per person would increase, as would the average trip length. The result is that the total vehicle miles of travel will increase 114% (an annual growth rate of 2.8%).

CAMPO’s Long-Range Transportation Plan focuses on roads, and includes more than 200 road projects, more than 1,500 lane miles of new or widened roads, and assumes that money will be available to complete I-540 and other key roads. It also emphasizes transit and alternatives, such as express lanes, light rail and bicycle lane improvements.

Funding shortfall: The 2005-2030 transportation funding plan is based on expecting \$6 billion in traditional funds, including \$2 billion in projects that will be funded after 2020 but are likely needed before that time. The plan also includes \$2 billion in funds that do not yet possess legislative authorization. The total additional funding needed beyond traditional sources by 2030 is \$6 billion in Wake County.

The federal government is not expected to step up funding for local needs, because North Carolina is a “donor” state, meaning that it sends more transportation funds to the federal government than it receives

back for highways (95 cents per dollar is returned). The state is facing a \$30-billion gap in transportation funds, and is unlikely to increase funding, either, the speakers said.

WORK GROUP REPORT

Task 1 – How well do the current inventory, plans, and funding meet the goals of the transportation working group?

Background

- Endorsed the liberty-equality and community-prosperity tradeoffs framework, with sustainability at the core
- Group contends that the region cannot afford the system that the majority of people would prefer
 - o Utopia for most people: Everyone lives in a detached single-family home in a low-to-moderate density neighborhood, and drives their own car on an uncongested street network to their job on a trip that takes less than 15 minutes
 - o Reality: Everyone cannot have this due to the cost of construction, land, energy and environmental degradation
- Overall working group objective: Deliver a county-wide system of mobility choices that delivers as many of the desired objectives as possible, within the bounds of affordability
 - o Challenges: Population increases are increasing the demand for transportation and the cost of land and materials to provide it
 - o Opportunities: Population increases and population aging is providing opportunities to foster more transit-efficient corridors
- Goal is not to limit private choices but to encourage more cost-efficient choices

Observations on current inventory

Currently we have a reasonable but incomplete network of freeways and arterials and a limited bus transit network

- The freeway system continues to operate well except along selected corridors during rush hour – most notably Interstate 40 into Research Triangle Park
- Currently traffic congestion is still better than other competing urban areas
- The region is served by a network of bus services through individual cities in the county, Raleigh, Cary, North Carolina State Wolfline and the TTA but the service frequency and ridership are not high

Observations on current plans and funding

- Population growth and insufficient financial resources will result in significant traffic congestion
- Amount of travel in congestion will double by 2030 according to current plans
- If current plan is not implemented due to funding or other constraints then traffic congestion will quadruple during that time frame
- As the region continues to expand outward, average trip times will increase
- Transit operations are not sufficient and modal splits will remain only 1% for transit based on current plans – even with a completed regional rail system
 - o The development of a comprehensive, long-range, efficient transit vision plan along strategic corridors has not yet been developed
- Insufficient relationship between costs and usage for all modes

Task 2 – What strategies do you recommend for addressing any deficiencies?

Key drivers for change

- Need a transition to change the system over the next 5-10 years
 - o More affordable system – determine what level of mobility service can be provided, like electric service – and that’s it
 - o User fees for added value
 - o Align the use of transportation fees with the users of those fees
 - o System that balances supply and demand
- Limit low-density choices, but clarify that such areas will not be well-served by expensive infrastructure such as water and sewer, transit, etc.

Strategies for ongoing success

Revenue options

- Modernize the distribution formula → (\$1b over 25 years)
- Increase transportation-related indirect user fees (e.g. motor fuels tax, vehicle registration fees, highway use tax) → (\$1b over 25 years)
- Permanently end trust fund transfer to general fund → (\$200m)
- Sales tax → (\$1b)
- Impact fee? → (\$0.5b)

Other options to consider that provide revenue (not currently in existence in Triangle)

- Toll roads, with electronic toll collection and variable pricing → (\$1b over 25 yr)
- ValuExpress toll lanes or High-occupancy/toll lanes → (\$1b over 25 years)

Non-revenue producing options that seek to manage demand (not in Triangle yet)

High-occupancy vehicle (HOV) lanes
Ramp meters

Options to reduce costs

- Highway plans should be explored to identify opportunities to save costs and enhance a direct user-fee relationship
- Opportunities for synergies between water and sewer infrastructure planning and mobility infrastructure planning have not been explored to the maximum extent

Options to encourage alternatives and efficient system use – transit options

- High-level transit service cannot be provided in all corridors but could be created along strategic corridors where there are existing services
 - o Identify and define strategic corridors that could be efficiently served by high quality bus, rail, etc. transit routes
- Consider major point-to-point multimodal corridors -- both highway and transit modes should be considered
 - o A transit component – not necessarily rail – must be considered for all major highway corridors
- A comprehensive transit vision plan – including a focus on utilization of existing rail corridors – is essential
- Synchronize bus and bus, and bus and rail
- Support the existing rail corridor project – which serves as the core or spine of a larger system

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- All transit corridor development must be focused on generating the biggest bang (ridership) service for the buck
- Create core destinations at transit stops and interchanges and focus development opportunities there
- Target incentives to get more employment to locate at the outer edges of the county, particularly near future transit corridors.
- Local governments must eliminate restrictions to high-density development along strategic transit and transportation corridors and at key service destinations
- But do explore incentives for transit-compatible land uses for strategic corridors as well as in core areas

Observations on freeways

- Freeways should be focused on longer-distance travel
 - Toll user fees and longer interchange spacing to discourage short-term trips and provide revenue to construct the facilities

Task 3 -- unanswered questions and strategies for resolving them

1. Federal and state transportation fees – new methods for collecting and aligning with uses
 - Recognize that gas tax is becoming less viable as we move forward (hybrids) etc., but all users are still consuming space on the highway
 - Vehicle miles traveled – varying by time of day – along the lines of mobile phone bills
 - A dedicated source or sources of funding – for freeways, local roads, and transit – must be found
2. Transportation/infrastructure local option funding sources
 - Review potential for revenue generation
 - Identify a series of short- and long-term projects that can be accelerated
 - Align projects with regional goals
 - Determine who collects, who decides, who implements, who maintains
 - Priority for transportation user-based fees for mobility uses
 - General taxes (e.g., sales) in concert with other infrastructure needs
3. Transportation policy development structure
 - Consider alternative frameworks at local, regional, state level
 - Opportunities to enhance local input and regional coordination
 - Opportunities to accelerate multimodal project delivery
 - Eliminate regulatory approval roadblocks to development opportunities at higher densities
4. Alignment between transportation and land use
 - Explore opportunities to coordinate water, sewer, and mobility infrastructure planning and development

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WAKE TECH

PLAN SUMMARY

On February 24, 2006, Dr. Steve Scott, president of Wake Technical Community College, presented an overview of the college's recent expansion and its future needs and expansion plans. He discussed the college's partnerships with the business community, provided data about the major programs of study and outlined projected student population based on growth projections to 2030.

Dr. Scott said the 10-year capital plan is projected to cost \$177 million to help Wake Tech keep pace with growth needs. He outlined the financial options as:

- Utilize Public/Private Sites
- Internet Classes
- Lease Shopping Center
- Donations/Naming Rights
- Bond Referendum
- Purchase/Renovate Warehouse
- Self Financing (Customer Pay)

WORK GROUP REPORT

Task 1—Goals

What goals, ends, or outcomes is Wake Tech trying to achieve?

GOALS	Liberty	Prosperity	Community	Equality
• Education for everyone	√	√	√	√
• Entrepreneurial Education	√	√	√	√
• Higher Earnings	√	√	√	√
• Community and Educational Partnerships		√	√	√
• Economic Development		√	√	√
• Human fuel for the economy (resource)		√	√	
• Reduced demands on public services		√	√	
• Avocational Education	√		√	

Task 2—Needs

What types, levels, and quality of infrastructure will be needed to meet Wake Tech's goals identified in Task 1?

Trends

- Enrollment growth follows population growth – Wake County population will grow from 750,000 in 2005 to 1.4 million by 2030. Wake Tech enrollment will see similar growth.

Wake Tech Projected Growth 2005-2030

2004 – 2005 Current Headcount and FTE		2029 – 2030 Projected Headcount and FTE	
52,303	Headcount	103,720	Headcount
11,569	FTE	30,507	FTE

- Social and economic shifts will encourage more full-time students – Wake Tech currently has five times as many part-time students as full-time students. But the trend is toward more growth in full-time students due to the significant increases in high school enrollments. Full-time students require more space due to the need for laboratory-based courses.

Infrastructure

Background

- In 2004 Wake Tech has 471 thousand assignable square feet (ASF) (800 thousand gross square feet GSF) of facilities.
- Wake Tech has demonstrated efficient use of its space:
 - In 2004, Wake Tech’s ratio of assignable square feet (ASF) of academic facilities per FTE was **61** feet. The North Carolina Community College System average was **89** ASF per FTE.
 - Wake Tech is currently operating at **163%** of capacity according to the Facilities Inventory and Utilization Study (2004) published by UNC-GA and based on 100 square feet per FTE standard established by MGT of America, Inc. and used by the North Carolina Community College System to project construction needs in the state.
- Even with efficient utilization of facilities, Wake Tech has NOT met student demand for its education and training. In 2004-2005, **11,071** students were accepted but did not enroll at the College due to lack of space in classrooms or scheduling problems.

Projected Need

- Enrollment growth based on county population growth shows that Wake Tech will need an additional 2.6 million GSF by 2030—either in owned, leased, or donated space.
- The cost of 2.6 million new GSF will be \$824 million in 2006 dollars.
- Wake Tech plans to reduce the cost to \$618 million by greater utilization of distance learning technologies and instructional space provided to the College at little or no cost.
- Providing increasing amounts of instruction via distance education technologies will shift some facilities costs to hardware and software.

Wake Tech Cost of Projected Facilities Growth -- 2005-2030

Approach	New Gross Square Feet (GSF)	New Facilities Cost (2006 \$)
Potential Need in Traditional Brick-and-Mortar Approach	2,646,140	\$824,178,404
Savings due to Reduction for Distance Learning Technologies and Use of Sites NOT Owned by College	661,535	\$206,044,601
Projected Net Needs	1,984,605	\$618,133,803

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Projected Cost by Category -- 2005-2030

Category	Projected %	Projected Cost
Buildings	84%	\$519,232,395
Land	4%	\$24,725,352
Parking	4%	\$24,725,352
Equipment	8%	\$49,450,704
TOTAL		\$618,133,803

Task 3—Means

What strategies do you recommend for achieving the level of funding needed to meet Wake Tech's goals?

SOURCES	Buildings	Land	Parking	Equipment
Public				
• General Obligation Bonds	√	√	√	√
• Revenue Bonds			√	
• Certificates of Participation	√	√	√	√
• General County Revenue	√	√	√	√
• State Government Funds	√	√	√	√
• Federal Government Funds	√		√	
• Dedicated Tax or Fees	√	√		√
Donations				
• Public/Private Land		√		√
• Corporate	√	√		√
• Individual	√	√	√	√
• Foundations	√	√	√	√
• Endowments	√	√	√	√
Miscellaneous				
• User fees			√	√
• Public/Private Partnership	√	√	√	√
• Umstead Act Modification				√
• Private Sector Construction/Leaseback on Campus	√		√	√
• Tax Incentives	√		√	√

WATER/SEWER PLANS

PLAN SUMMARY

On March 14, 2006, the committee heard from three professionals in water and wastewater issues: Tommy Esqueda of Camp Dresser McKee, who has consulted on Wake County water-sewer planning for

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the last 10 years; Dale Crisp, the City of Raleigh's Utilities Director; and Leila Goodwin, water resources manager for the Town of Cary.

Wake County currently has three water treatment plants (Wake Forest, Cary/Apex, Raleigh) and nine wastewater treatment plants, along with three inter-regional connections. Raleigh has service partnerships with Wake Forest, Rolesville, Garner and Knightdale, and Cary has partnerships with Apex, RDU Airport and RTP South. About 140,000 of the county's 750,000 residents are on private water systems, and 51,000 of those residents are in water supply watersheds. Under current zoning, groundwater quality and quantity are sustainable.

Projections for water and wastewater treatment needs through 2030 show that current Wake County utilities' plans will be sufficient for the water needed. The water supply that is planned is projected at 151.5 million gallons per day, while needs are projected at 148.7 million gallons. Water treatment capacity is projected at 220 million gallons per day, with needs projected at 198 million gallons.

The projected wastewater treatment capacity by 2030 is 169.8 million gallons per day, exceeding the wastewater flow projected at 150.8 million gallons.

The speakers took questions following their presentation. Highlights from that discussion include:

- Projections for water and wastewater needs are largely made based on growth histories, particularly the past 10 years.
- With regard to the use of wells (about 20% of the county uses well water), the assumption is that number will remain on groundwater. Raleigh has no mandatory connection policy; those in the urban service areas have been included in the municipal projections.
- Terrorist issues are being evaluated and handled by local governments; the water supply system's vulnerability has been assessed and recommendations implemented.
- Given the two droughts in the last five years, Raleigh will need to reassess the water supply situation if current weather patterns become the norm rather than the exception.
- Regional partnership studies are underway, including one with Johnston County and one with Granville County for Kerr Lake.
- Use of reclaimed water: Cary now distributes approximately 1.2 million gallons/day (MGD). We will never get to 100% reuse, as the infrastructure is very expensive, especially for existing retrofits. Raleigh and Cary are continually looking at demand management and use of these resources.
- The size of the Raleigh and Cary systems precludes the use of naturalized means of purifying water. The demand cannot be met with non-traditional (natural) methods at this time.

WORK GROUP REPORT

As the Water/Sewer Work Group evaluated water and sewer infrastructure needs to the year 2030, it is clear that one of the advantages for the County's water and sewer systems is that there is a dedicated source of funding to accommodate growth and development, regulatory compliance and rehabilitation and replacement. An additional advantage is that the funding system is operated as an enterprise fund which allows users of the system to contribute revenues proportional to the level of service received. Accordingly, the system provides some level of equity with regard to the allocation of costs to citizens, businesses and industries within Wake County.

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Recognizing that there is a dedicated source of funding for water and sewer service, and equity is generally provided for in the allocation of costs, the Water/Sewer Work Group offers the following recommendations to enhance and improve the level of service provided by the County's water and sewer service systems:

1. **Accelerate implementation of the Little River Reservoir ahead of the currently planned date of 2025.** Use available means to allow completion of construction by 2020 or earlier. Use of "Fast Track" permitting is encouraged.
2. **Continue to explore the creation of one regional water/sewer system for Wake County.** This could be done through the coordination and possible consolidation of the Raleigh and Cary systems into one "Capital Area Water and Sewer Utility". This should be pursued as a means of providing a uniform level of service and cost of service throughout Wake County for water and sewer services. Establishment of a work group involving the County and all the water/sewer authorities to evaluate existing coordination efforts and future consolidation should be considered.
3. **Explore opportunities to obtain additional water sources outside of Wake County.** Based on growth and development projections there will be a need to obtain significant raw water from sources located outside of Wake County by 2030. Plans need to be made to coordinate water and sewer services and facilities with surrounding counties including, but not limited to, Harnett, Johnston, Durham and Chatham.
4. **Water conservation should be emphasized.** A long term educational and public relations plan should be developed to provide sufficient information to the public regarding the importance of conserving our most valuable natural resource – water. A partnership between the County and the municipalities should be established to carry out this educational and public relations effort.
5. **Structure water/sewer rates to encourage conservation.** Use of rate structure that encourages water conservation should be implemented countywide. Flat rate or declining rate structures should be eliminated.
6. **Investment in reclaimed water facilities should be expanded.** All water/sewer systems should continue to pursue and expand the installation of reclaimed water facilities for new development and existing development.
7. **Long-term maintenance and replacement needs to be fully evaluated.** As existing infrastructure assets age and experience wear and deterioration in harsh environments, it is necessary to re-invest in the existing infrastructure assets to ensure they continue to provide reliable and effective service.
8. **Planning for Extension of Water/Sewer to Remote Parts of the County in advance of typical Annexation Process.** A human health and drought issue to reduce the number of shallow water wells within Wake County. It is important that land use factors be considered in this process.
9. **Consider Availability of Water/Sewer in Watershed Areas.** From both an environmental and human health perspective, elimination of shallow wells and septic systems in the watershed areas is important. Use of zoning or other measures to limit lot sizing as opposed to water/sewer availability.
10. **Exploration of Advanced Nutrient Removal Systems.** In anticipation of future water/sewer treatment standards, efforts should be made to explore technologies that will remove higher percentages of nutrients from the waste stream.

FINANCE WORK GROUP REPORT

The Finance work group agreed to:

- four-year property revaluation period and keeping 60.4 cent property tax rate (60.4 cents per \$100 of valuation)
- 5% fee on water and sewer charges to be used for open space
- 1% local Infrastructure sales tax

Together with existing county borrowing ability, these measures would allow the county to borrow \$12.9 billion over 24 years. The work group considered the remaining \$6.1 billion of infrastructure needs to be in transportation; recommended funding half with tolls and other half with unspecified charges, perhaps including a local gas tax.

The work group recommends that specific infrastructure projects be tied to specific funding mechanisms, as much as possible.

Finance work group considered, but did not agree on, other funding mechanisms, including a 1% real estate transfer fee, a \$1,000 impact fee, a 1-cent local gas tax, an 80-cent property tax rate, and a 1/4% local tax on incomes. The work group offers these to the full committee for consideration.

ITEMS TO BE INCLUDED IN FINAL REPORT AS APPENDIX:

- **Work Plan**
- **PowerPoint Presentations Made to BRC January – April**
- **Meeting Summaries**
- **Work Group Assignments (members)**
- **Work Group Values Maps**