

Potential Referendum Tax Rate Impacts Priority Project Needs



Referenda Calendar

Bond Approval and Issuance Calendar

May/June (to be determined)

- City Council to discuss the proposed bond issue purposes (to be specified by legal purpose) and amounts to be placed on a prospective November 2 referendum.

June 15

- City Council to authorize the filing of an application with the NC Local Government Commission for the authority to issue bonds, specifying bond issue purposes and amounts.

July 20

- The City Council introduces bond orders for each bond issue purpose and calls a public hearing on the bond orders.

Referenda Calendar

Bond Approval and Issuance Calendar

August 2

- City Council holds a public hearing to receive public input on the proposal to issue bonds.

November 2 – Election Day

- The City holds a bond referendum for residents to vote and decide on each of the specific bond issue purposes on the bond ballot. The affirmative vote of a majority of those who vote thereon shall be required for a bond order to take effect.

Projected Impacts of 2021 Bond Referendum

IF NO REFERENDUM IN 2021

Previous Estimates Shared with City Council:

	FY 22	FY23*	FY24	FY25	FY26	FY27	FY28*
Bonds Issued:							
2/3 Bonds (\$16.3M) & Completion of 2016 Ref. (\$36M)	\$52.3M						
Tax Rate Implication (Without Revaluation)	-	+1 cent	-	-	-	-2 cents	-
Tax Rate Dedicated to Debt Service (GF Transfer)	9.5	10.5	10.5	10.5	10.5	8.5	8.5

IF NO REFERENDUM IN 2021

Current Estimate: February 2021 (lower interest earnings)

	FY 22	FY23	FY24	FY25	FY26	FY27	FY28
Bonds Issued:							
2/3 Bonds (\$16.3M) & Completion of 2016 Ref. (\$36M)	\$52.3M						
Tax Rate Implication (Without Revaluation)	-	+1.5 cents	-	-	-	-2 cents	-
Tax Rate Dedicated to Debt Service (GF Transfer)	9.5	11.0	11.0	11.0	11.0	9.0	9.0

* Year Revaluation Effective

Projected Impacts of 2021 Bond Referendum

Current Estimate with 2021 Referendum - \$120M

	<u>FY 22</u>	<u>FY23*</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28*</u>
Bonds Issued:							
2/3 Bonds (\$16.3M) & 2016 Ref. (\$36M)	\$52M						
2021 Referendum (Phased Bond Issuance)	\$30M		\$30M		\$30M		\$30M
Tax Rate Implication (without Revaluation)	-	+3.0 cents	-	-	-	-0.5 cents	-1.0 cent
Tax Rate Dedicated to Debt Service (GF Transfer)	9.5	12.5	12.5	12.5	12.5	12.0	11.0

* Year Revaluation Effective

Projected Impacts of 2021 Bond Referendum

Tax Rate Implications

- Tax rate implication for \$60M & \$120M referendum is same, due to required larger principal payments needed in earlier years, per LGC, and timing of debt issuance
- +1.5 cents needed (and 1.5 cents for 2016 Referendum & 2/3 Bonds)
- Estimated revaluation only improves taxes in later years (Yr 4 – Yr 6)

Projected Timing Impacts for Bond Referendum

Hold \$120 Million Referendum in November 2021

- Issue \$16.3M 2/3 Bonds
- Issue \$36M from 2016 Referendum
- Issue \$30M from 2021 Referendum
- Spring 2022

Tax Rate: +3 cents in FY 2023

Hold \$120 Million Referendum in November 2022

- Issue \$16.3M 2/3 Bonds
- Issue \$36M from 2016 Referendum
- Spring 2022
- Issue \$30M from 2022 Referendum
- Spring 2023

Tax Rate: +1.5 cents in FY 2023 and +1.5 cents in FY 2024

Projected Impacts of 2021 Bond Referendum

Tax Revaluation Considerations

- Property values are re-assessed every 5 years in Guilford County
 - Next revaluation occurs January 1, 2022, effective for FY 2023
- Last revaluation in FY 2017 generated 5.49% increase in values
- Current analysis includes est. 5.00% increase in FY 2023
 - Continued close monitoring of estimates with County officials

Priority Program Needs

Housing GSO Implementation

Affordable Rental Units :	\$20 million
Neighborhood Reinvestment:	\$10 million
Access to Homeownership:	\$10 million
Supportive Housing:	\$9.75 million
Implementation and Partnerships:	\$250,000

Priority Program Needs

Parks & Recreation

Windsor-Chavis Joint Use Facility:	\$60 million
Battleground Parks District Development:	\$25 million
Aquatics and Lakes Renovations:	\$25 - \$30 million
Neighborhood & Community Park, ADA, and Community Heart Improvements:	\$15 - 20 million
Gillespie Golf Course Improvements:	\$2 million
Trail & Greenway Expansion/Improvements:	\$5 - \$10 million

Priority Program Needs

Public Safety

Fire Station Renovations & Replacement:	\$17.5 - \$21 million
CAD and Records Management Systems:	\$2 - \$3 million
Police HQ Renovations:	\$2 - \$3 million
Gun Range Overhaul:	\$500,000

Other Identified Capital Needs

General Facilities

Renovations, roofs, carpets, ADA improvements: \$18.5 million

Transportation

Federal/State project matching funds: \$25 - \$40 million

Streetscape Improvements: \$40 - \$60 million

Greenway expansion: \$12 - \$16 million

Signal System upgrade: \$10 - \$12 million

GTA Fleet Electric Vehicle Replacement: \$20 - \$25 million

Depot Renovations: \$4 - \$6 million