



ADDENDUM #1

April 22, 2025	
RFP Title:	\$703,647,000 Installment Financing Agreement, Series 2025 (Wake County Public School System Projects)
RFP Bid No.:	#25-053

The following are answers to questions submitted for RFP #25-053. Answers provided by Wake County and its Financial Advisor are in blue.

1. The RFP requests up to \$706.3MM in financing but states that the estimated aggregate cost of the five new schools is \$428.5MM. Could you please help us understand the use of proceeds for the difference? Proceeds of the proposed \$706.3MM Installment Financing Agreement (“Proposed IFA”) will serve to be the source of funding, whether in part or in total, for certain identified capital needs of the Wake County Public School System (“School System”) to be appropriated and funded in FY2026 and FY2027. The total project cost of the five new schools that will serve as collateral for the Installment Financing Agreement is \$428.5MM of which approximately \$333.9MM will be funded by the Installment Financing Agreement during FY2026 and FY2027. As major construction projects can span longer than two years, in some instances there is other funding for the five schools occurring prior to FY2026 or planned to occur beyond FY2027. Certain other identified capital needs of the School System to be funded by the Installment Financing Agreement, whether in part or in total, during FY2026 and FY2027 include, but are not limited to, other new construction projects (2 high schools; 1 middle school; 1 elementary school), partial renovations, roofing and HVAC system replacements, FF&E, ADA upfitting, and temporary classroom mobiles.
2. Please confirm that drawdowns under the Installment Financing Agreement will be taken out by limited obligation bonds during planned refundings in March 2026, 2027, 2028, and 2029 as shown in the Estimated Draw Schedule?
Confirmed. The County’s intention is to take out any drawn amounts with long-term Limited Obligation Bonds in the Spring of 2026, 2027, 2028 and 2029. While the RFP provided estimated amounts for each takeout, these are estimates and subject to change.
3. Would the County consider a solution whereby the interim financing was assigned a CUSIP number? The County is open to any legally available financing solutions that are financially advantageous to the County so long as those options meet the requirements set forth in the RFP and do not result in additional administrative burdens, additional upfront or ongoing costs or increased risk or liability to the County. In the view of the County’s Financial Advisor, assigning a CUSIP number could result in the interim financing being viewed as a security instead of a loan. To avoid any issues associated with this designation, a placement agent would likely need to be assigned to place the security with the holder. Should a proposer want to include this as an option, it must outline in detail all of the mechanics

of the proposed structure along with any fees/costs associated with it as well as any ongoing requirements. The proposed structure will be considered along with the other responses and will be subject to the review and approval of the County's Financial Advisor, bond counsel and the Local Government Commission.

4. Can the County provide any tax rate, tax base and debt analysis done over the last five years and projections?

The table below provides historical information on the County's tax rate and assessed value for FY2021 through FY2025 as well as projected information for FY2026 through FY2030 based on the assumptions noted.

Fiscal Year	Tax Rate ¹	Assessed Value ²
2020	\$0.7207	\$155,673,341,532
2021	\$0.6000	\$192,431,793,695
2022	\$0.6000	\$196,534,008,167
2023	\$0.6195	\$203,153,108,193
2024	\$0.6570	\$211,571,788,821
2025	\$0.5135	\$306,075,000,000
2026	\$0.5160	\$313,875,891,000
2027	\$0.5160	\$320,153,408,820
2028	\$0.4870	\$350,567,982,658
2029	\$0.4870	\$357,022,160,225
2030	\$0.4635	\$382,013,711,441

¹ Includes an assumed increase of \$0.0025 in FY2026 and an assumed increase of \$0.0050 in FY2028 in addition to revenue neutral tax rate adjustments in FY2028 and FY2030.

² Includes assumed growth in the assessed value of 2.55% (FY2026), 2.00% (FY2027), 9.50% (FY2028 - reval), 2.00% (FY2029), and 7.00% (FY2030 - reval) with slight offsets for appeals in fiscal years post reval.

In terms of debt analysis, the County maintains a comprehensive long-term financial / capital planning model that incorporates its 7-year Capital Improvement Plan which is annually updated and serves as the basis for determining debt issuance. The program is part of the County's annual planning process where costs and needs are re-evaluated. The County's Board of Commissioners continually evaluates the need for a variety of capital projects, including construction and/or renovation of various school facilities, and the potential sources of funding for such projects. Certain of these projects could be financed by the County through the issuance of additional debt, including general obligation bonds, limited obligation bonds, bond anticipation notes and installment financing agreements. The County also analyzes refunding opportunities on an ongoing basis and based on market conditions, could refund additional portions of its outstanding bonds for savings and restructuring of its debt portfolio. In line with past practice, the County plans to continue providing short-term financing for the cost of various capital improvements for WCPSS and Wake Tech via its GO bond anticipation note programs and installment financing agreements and subsequently issuing long-term GO Bonds and limited obligation bonds to refinance the drawn amounts. The annual issuances for these purposes for FY 2026 to FY 2031 are expected to total approximately \$2.4 billion. In addition, the County's current CIP assumes the issuance of approximately \$587 million of GO bonds and limited obligation bonds in multiple issuances over the FY 2026 to FY 2031 timeframe for various needs including parks, greenways, recreation, open space, human services, criminal justice projects, regional centers, libraries, EMS, fire stations, animal control, and detention services.