

Manager's Update

raleighnc.gov



Issue 2021-17

May 7, 2021

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Work Session - Tuesday, May 11 - 4:00 P.M.

Reminder that Council will meet next **Tuesday** in a scheduled work session at **4:00 P.M.**

The agenda for the work session was posted to the electronic agenda management system Thursday.

You will be receiving information on joining the WebEx Events session on Monday; staff will be available to assist with log ins and joining the virtual City Council meeting.

INFORMATION:

Tax Increment Grant Information Flyer

Staff Resource: Jim Greene, City Manager's Office, 996-3070, jim.greene@raleighnc.gov

Included with the *Update* materials is a graphic of an informational flyer which staff has prepared to assist interested parties with understanding the Tax Increment Grant (TIG) policy. Attached to the transmittal

email is a PDF version of the same information, which Council may find useful in assisting constituents with the TIG concept and policy. This information has also been made available on the on the city website and may be accessed at [this link](#).

(Attachment)

Chemical Spill at Milburnie East Park

Staff Resource: Scott Payne, PRCR, 996.4825, scott.payne@raleighnc.gov

Over the May 1 weekend, an accidental release of an estimated 60 gallons of 25% sodium hydroxide solution occurred at the Aqua America Sanitary Wastewater Treatment plant located within an easement on Milburnie East Park, located at 1101 Old Milburnie Road. The park provides a popular access point for small, non-motorized watercraft to the Neuse River and connection to the Neuse River greenway trail via a footbridge over the river. The release did spread onto park property beyond the boundary of the easement. Staff from multiple departments, including Parks, Recreation and Cultural Resources, Raleigh Water and the Stormwater division of Engineering Services have been working with Aqua America and their environmental consultant to mitigate the impacts of the spill on park property, in compliance with State and Federal regulations.

Public access to Milburnie East Park will remain closed until the mitigation work is completed by Aqua America.

(No attachment)

Rating Agency Results - Raleigh Water Utility Revenue Bonds

Staff Resource: Allison Bradsher, Finance, 996-4970, allison.bradsher@raleighnc.gov

Rating agencies annually review and periodically issue reports that serve to provide the bond market with updated credit information for US municipalities. On Tuesday, May 4, Moody's Investor Service published a report on the Combined Enterprise System (Water and Wastewater) Revenue Bond rating. Moody's affirmed the highest rating at Aaa with a stable outlook on the outstanding Revenue Bonds.

The Moody's report characterizes the system's credit profile as "exceptional", highlighting the following Raleigh Water aspects:

- "very large system size"
- "very strong financial position"
- "robust liquidity"
- "an affordable debt portfolio"

Maintaining the highest possible credit rating ensures that the City borrows at the lowest interest rates and has access to markets during downturns in the economy. Included with the *Update* materials is the published report issued by Moody's.

(Attachment)

Performing Arts Center Pop Up Markets

Staff Resource: Kerry Painter, Convention & Performing Arts Centers, 996-8503, kerry.painter@raleighnc.gov

The public is invited to learn about migratory birds and bees during *The Birds and the Bees* popup market events scheduled during the month of May. The **“Perch Market”** (May 15) and the **“Buzz Market”** (May 22) will be held from 12-3 P.M. on **Lichtin Plaza at the Duke Energy Center**. Both markets will feature products from local makers and educational opportunities on supporting and sustaining these species. Snacks and beverages will also be available for purchase during the markets.

In addition, to coincide with **World Bee Day** on May 20, a Raleigh-based beekeeping organization will install a new beehive at the Duke Energy Center. The install will be live streamed on the YouTube and website, and local elementary schools have been invited to participate in naming the new queen bee, which will be announced during the live stream.

More information on these events can be found at dukeenergycenterraleigh.com.

(No attachment)

East Martin Street - Full Street Closure between Fayetteville and Wilmington Streets

Staff Resource: Lee Mai, Transportation, 919-796-6309, lee.mai@raleighnc.gov

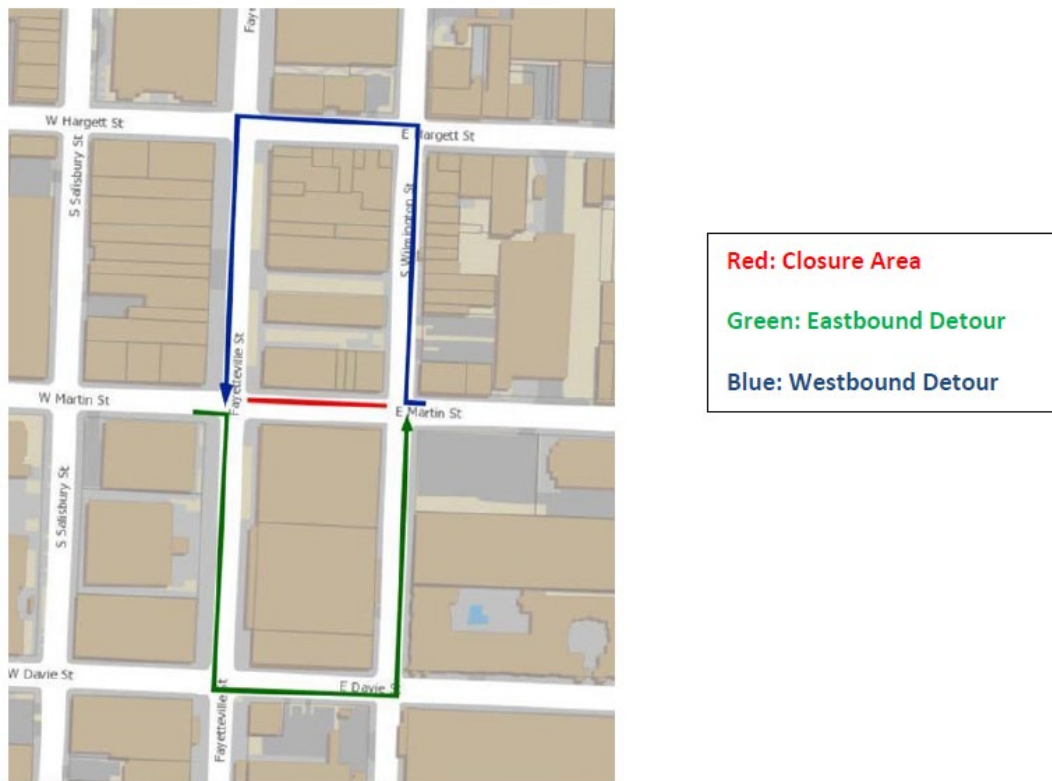
As part of the last phase of construction for the First Citizens Bank project located at 239 Fayetteville Street, a new sewer line to an existing manhole in the center of East Martin Street will need to be installed. To accomplish this work, the contractor will need to close the section of East Martin Street between Fayetteville and Wilmington Street to vehicular traffic. The sidewalk on the north side of East Martin Street, next to First Citizens Bank, will also be closed to pedestrians. The sidewalk on the south side of East Martin Street will remain open throughout the closure.

The contractor has coordinated the closure with local businesses through the Downtown Raleigh Alliance and other public outreach. The closure has also been coordinated with multiple city departments.

To perform these repairs quickly and safely, the contractor will close East Martin Street as noted above during the following times: Monday, May 10, 7:00 A.M. through Sunday, May 16, 7:00 P.M.

Work will be performed between the hours of 7:00 A.M. - 9:00 P.M. to better accommodate residents in the vicinity. This timeframe has been determined to be the least impactful to the immediate area as many of the nearby businesses are currently closed on Monday, Tuesday, and Wednesday during the week.

Accessibility for residents and businesses will remain available at all times and no business parking or pickup zones are impacted by this closure. The parklet located at Bittersweet will also remain accessible. Below is a map of the closure and detour routes:



East Martin Street - Full Closure and Detour Routes

Wake Bus Rapid Transit Update

Staff Resource: Mila Vega, Transportation), 996-4123, mila.vega@raleighnc.gov

In November 2016, Wake County voters approved a levy of one-half cents to the county sales tax for the purpose of funding public transportation systems. The sales tax, which went into effect April 1, 2017, assists in funding various initiatives associated with the Wake Transit Plan. Administration of the Wake Transit Plan is a shared responsibility of the Capital Area Metropolitan Planning Organization, GoTriangle and implementing agencies which includes the City.

The City is the designated sponsor for the Wake Transit Plan Bus Rapid Transit (BRT) program and continues to advance various aspects including planning and design. An update regarding the program was last provided in *Manager's Update Issue 2021-15* (April 23); this update is intended to provide the current status of the Wake BRT Northern Corridor.

As identified in the Wake Transit Plan's Major Investment Study (MIS), the current infrastructure area of the Wake BRT Northern Corridor extends from downtown Raleigh to Crabtree Boulevard with two identified alternatives: Capital Boulevard or West Street.

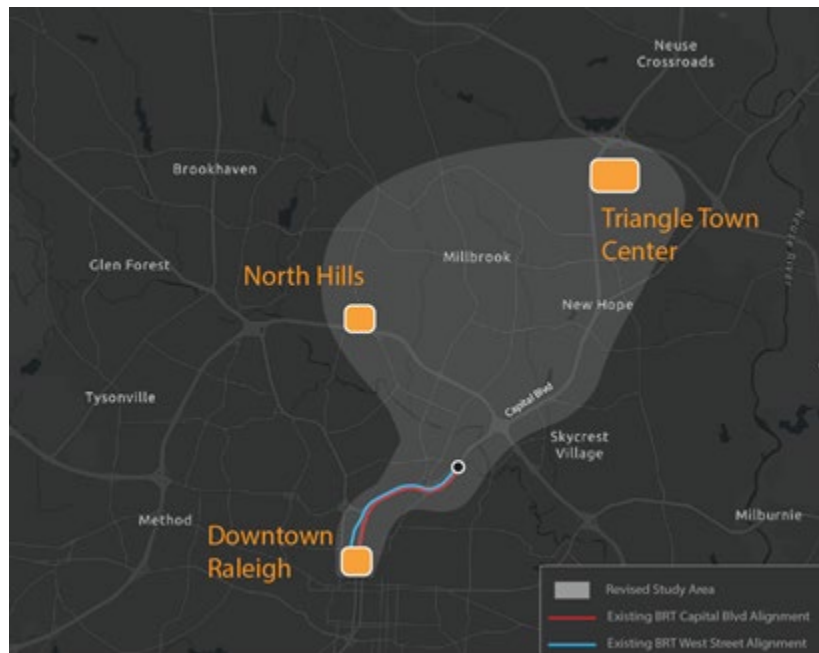
Ongoing development adjacent to and in close proximity to the defined corridor poses several challenges. This area of North Raleigh has experienced significant growth since the 2016 Wake Transit Plan and subsequent MIS, with developments in North Hills along Six Forks Road, and between Crabtree Boulevard and Triangle Town Center along Capital Boulevard. Current infrastructure projects along Capital Boulevard also need to be considered before initiating the preliminary design. In addition, the recently completed

[Wake Transit Plan Update 2030](#) calls for an extension of BRT infrastructure along candidate corridors, including extensions to Triangle Town Center and North Hills.

As a result, a MIS will be conducted to better define the Northern Corridor project. The anticipated general outcomes of the study will include:

- Overview and integration of the latest planning work
- Travel market analyses for both short-term and long-term planning horizons
- Recommended opening-year and future-year alignments and running way options
- Capital cost estimates for opening-year and future-year infrastructure recommendations; and
- Analysis of federal financial competitiveness for identified alternatives

City staff will manage the study; the study is anticipated to begin in Fall 2021 and completed within a timeframe of 12 to 18 months.



Map of Study Area

[Weekly Digest of Special Events](#)

Staff Resource: Derrick Remer, Special Events Office, 996-2200, derrick.remer@raleighnc.gov

Included with the *Update* materials is the special events digest for the upcoming week.

(Attachment)

Council Member Follow Up Items

Follow Up from the April 13 City Council Meeting

Public Comment – Federal Annual Action Plan (Mayor Baldwin)

Staff Resource: B. Lamont Taylor, Housing & Neighborhoods, 996-3840, lamont.taylor@raleighnc.gov

During the meeting Octavia Rainey shared concerns regarding the Annual Action Plan. At the request of Council, staff followed up with Ms. Rainey by email and telephone regarding her concerns. Ms. Rainey is generally concerned about the Citizen Participation Plan as it relates to the following:

- Digital divide as it relates to an online-only process, advertisement, outreach, and engagement with very low-income residents
- Language access
- Enforcement of the Fair Housing Act
- Status of the City's Analysis of Impediments

(No attachment)

Follow Up from the April 20 City Council Work Session

Southeast Special Area Study (Council Member Cox, Council Member Branch)

Staff Resource: Donald Belk, Planning & Development, 996-4641, donald.belk@raleighnc.gov

During the work session staff presented draft recommendations for the Southeast Special Area Study. Following the presentation, Council requested additional information with regard to operating cost details, annexation, and potential extensions of the Extraterritorial Jurisdiction (ETJ), and the impact of the completion of I-87 (US-64) on growth in the town of Knightdale.

A memorandum responding to the questions is included with the *Update* materials.

(Attachment)

Follow Up from the April 20 City Council Meeting

North King Charles Road: Speeding Concerns (Mayor Pro Tem Stewart)

Staff Resource: Will Shumaker, Transportation, 996-4175, william.shumaker@raleighnc.gov

During the meeting Council requested staff to review constituent complaints regarding speeding on North King Charles Road and to evaluate a potential multi-way stop at the intersection of N. King Charles and Marlborough Roads.

Speed compliance on residential streets is not a new concern. The *Neighborhood Traffic Management Program* (NTMP) was specifically designed to address speed related concerns as police enforcement alone is not a sustainable alternative. A brief history of work done under the NTMP on N. King Charles Road follows. The road has been divided into three different evaluation zones due to varying street widths and street cross-sections:

- N. King Charles Road between New Bern Avenue and Milburnie Road: A traffic calming project was completed in 2014 where speed humps were added along the street. The 85th percentile speeds were originally 36.4 mph and after the project, the new 85th percentile speeds are now 27.51 mph. The speed limit has been lowered and posted as a 25-mph zone.
- N. King Charles Road between Milburnie Road and Glascock Street: This section is still the statutory 35 mph and that speed limit is unposted. Based on the most recent traffic data gathered, the 85th percentile speed is currently 33 mph. Staff has been actively been working with the residents along this section of the roadway to reduce the speed limit to 25 mph so N. King Charles Road will have a consistent 25 mph speed limit along its entirety. Residents were sent ballots in April to gauge support for lowering the speed limit. The balloting was successful (per the policy); NTMP staff plans to add the proposed speed limit reduction to the next available Council agenda. The speed limit reduction for N. King Charles Road will need additional coordination due to its impact on the traffic signal timing at N. King Charles and Milburnie. A signal plan update is required to reflect the new speed limit prior to the implementation of the new speed limit. Staff has prioritized the signal plan update and it is currently scheduled to be completed in time for Council to act on the proposed speed limit reduction at the June 1, 2021 Council meeting.
- N. King Charles Road between Glasscock Street and Crabtree Boulevard: The speed limit was lowered from the statutory unposted 35 mph to a posted 25 mph in 2013. The NTMP has also evaluated this section of N King Charles for a traffic calming project based on a resident request. The most recent evaluation was performed in July 2020 and did not meet policy warrants to be eligible for a traffic calming project at that time. The Neighborhood Traffic Management Policy allows that re-evaluation requests for traffic calming can be made at one-year intervals. This section of N. King Charles Road is eligible for re-evaluation in July 2021. This re-evaluation timeline does not impact the separate request made for the multi-way stop at the intersection of N. King Charles Road at Marlborough Road.

One request for a multi-way stop evaluation at the intersection of N. King Charles Road at Marlborough Road has been received by the NTMP (2012); however, it failed to meet warrants. Since then, a new NTMP policy was approved by City Council (in 2017) which broadened the criteria for multiway stops. Based on the most recent evaluation data (which include the presence of an existing uncontrolled crosswalk and proximity to Powell Elementary School), staff is recommending approval of the multi-way stop request. Per the adopted policy, a series of notifications are being sent to the adjacent property owners to let them know of the proposed change and its on-street parking impacts. Staff anticipates presenting the recommendation on an upcoming Council agenda soon.

(No attachment)

Public Comment – Traffic Violations, 3200 Hillsborough Street (Mayor Baldwin; Council Member Cox)

Staff Resource: Chief C.L. Deck-Brown, Police, 996-3155, cassandra.deck-brown@raleighnc.gov

During the public comment portion of the meeting, a citizen reported traffic violation in this vicinity; Council requested staff to provide a report. Council Member Cox indicated he has previously reported similar issues with regard to Capital Boulevard.

Included with the *Update* materials is a staff memorandum in response to the request.

(Attachment)

Public Comment – Loud Noises – Private Transfer Station on Thornton Road (Council Member Cox)

Staff Resource: Chief C.L. Deck-Brown, Police, 996-3155, cassandra.deck-brown@raleighnc.gov

Related to the item above, Council Member Cox indicated he has heard consistent reports from residents with regard to excessive noise emanating from the industrial operation on Thornton Road and what could be done to address quality of life for nearby residents to the facility.

Included with the *Update* materials is a staff memorandum which addresses enforcement of the noise ordinance at this specific location.

(Attachment)

Understanding the Tax Increment Grant (TIG) Policy

Otherwise Known as "TIG"

WHAT IS A TAX INCREMENT GRANT (TIG)?

A TIG is an additional Economic Development tool in the City's toolkit. It is used by cities and counties to expand employment and economic development opportunities and to deliver needed public infrastructure and other benefits by providing development projects with a financial reimbursement grant equal to a set percentage of new property tax revenues created by the project for a set period of time.

DOES EVERY DEVELOPMENT PROJECT GET A TIG?

Like other Economic Development tools, the TIG does not fit every development project. The TIG policy lists project requirements for eligibility. Development projects are not guaranteed a TIG. Projects are reviewed by City staff and the City Council on a case-by-case basis. The project itself and public outcome desired of the project will help determine eligibility for a TIG.

WHAT IS THE PURPOSE OF A TIG?

- Uses public-private partnerships to create needed infrastructure and public benefits.
- Provides an opportunity for the City to influence the development project.
- Encourages development, jobs, and services in areas of need.

DOES A TIG PUT THE CITY AT RISK?

No. Under a TIG, the developer, not the City, assumes the risk to design and build the public infrastructure, facilities or benefit programs supported by the grant. The City does not borrow money to pay for the project. No grant payments will be made by the City until performance by the developer is verified and all property taxes associated with the project have been paid.

DOES THE PUBLIC GET TO PROVIDE INPUT ON THE TIG?

A public hearing is required as part of the approved policy for all TIG agreements before the agreements are presented to the City Council for a vote. This allows the public to learn about the project and the proposed grant and to share ideas and concerns for consideration. More robust engagement will take place with larger development projects where public benefits are included in the developer's obligations to receive a TIG. Council will determine the most appropriate way to gain community input. This enhanced engagement with the public will occur before the TIG terms are



negotiated and approved to help set priorities for public benefits with limited TIG funds. Most TIGs support the construction of public infrastructure or facilities that are priorities listed in approved plans where community engagement has occurred and has already been incorporated into the Council-approved project plans. In these cases where engagement has occurred via an adopted plan and the TIG funds planned infrastructure, the City will provide clear information on the project, timing, and funding.

CAN A TIG BENEFIT THE COMMUNITY?

Yes, it must! For the City to participate in a TIG agreement, the project must demonstrate measurable benefits to the public. The benefits may include jobs, infrastructure, and/or affordable housing. The developer must show that the proposed project is in alignment with City priorities and goals including the City's Strategic Plan.

WHAT ARE THE TYPES OF THINGS THAT CAN BE FINANCED THROUGH THE TIG?

Examples could include greenway connections, pedestrian improvement, transit infrastructure, environmentally advanced stormwater features, and so on; or facilities such as a park, arts venue, recreation facilities, etc. Combined with these could be other benefits to the community, such as job training or development of affordable housing.

TELL ME HOW AFFORDABLE HOUSING CAN BE LEVERAGED THROUGH THE TIG?

As part of a project qualifying for a TIG, a developer may obligate itself to construct a certain percentage or number of affordable housing units within the project. A TIG may increase funding available to a developer to support such affordable housing either through direct assistance or by reducing a developer's cost burdens for infrastructure within the project.



HOW DOES THE CITY BENEFIT FROM FINANCING IMPROVEMENTS THROUGH THE TIG?

- Incorporating public improvements in adopted plans into private projects with a TIG could expedite delivery of those improvements.
- Construction of the public infrastructure could occur at the same time as project construction, saving costs and minimizing disruption.
- The City is not taking on any debt to add priority infrastructure or other benefits that are commonly listed in approved plans.
- The development generates new and additional property tax revenue for the City with only a portion of the new revenue reimbursed to the developer as part of the TIG. The increased tax revenues to the City continue after the TIG payment period ends.

IS THE TIG A TAX BREAK?

With a TIG, the developer is still paying the full amount of property tax associated with the development. There are no tax breaks or tax reductions for the developer. This is a public-private partnership generating benefits from a portion of new property tax dollars.

HOW DOES A TIG BENEFIT THE DEVELOPER?

To enter into a TIG agreement, both the developer and the City need to see a benefit from the arrangement. For the City, the enhanced infrastructure and community benefits are the goal. For the developer, the infrastructure, while benefiting the public, may also enhance the value of the overall project. Parks and transit infrastructure are examples of investments that have benefit both the new development and the public who can make use of the facility. The social value to the City, the financial value to the developer, and the magnitude of the TIG must be balanced as part of the agreement.

HOW DOES THE FUNDING WORK?

The TIG is provided on a reimbursement basis only and based on a percentage of new, net incremental property taxes generated from the project within a defined area. All property taxes for the project are paid by the developer first and contractual performance verified; then the established percentage of the incremental property tax is paid to the developer for an approved number of years to cover the costs of the improvements. All terms, the grant amount and other requirements are spelled out in an agreement and voted on by Council after a public hearing.

The funding percentages and terms of the City's TIG are listed below. The developer is not guaranteed the maximum percentage or term. The higher grant percentage and years for priority economic development areas helps encourage economic development in all parts of the City. The actual percentage and term will be determined by the City based on the specific benefits of a proposed project.

| Priority Area for Economic Development | Net Incremental Property Tax | Length of Time |
|--|------------------------------|----------------|
| Outside | Up to 50% | Up to 10 years |
| Inside | Up to 75% | Up to 15 years |

IS THERE A LIMIT OR CAP ON THE TOTAL NUMBER OF TIGS THAT THE CITY COULD APPROVE?

Yes. The City's financial commitment for all approved projects may not exceed 2% of the City's annual property tax levy in any given year. For the 2020-2021 fiscal year, the total limit is \$5.1 million. The capacity limit will be evaluated annually by City staff and is expected to change based on the City's tax rate and total assessed property values.

HOW WILL THE PUBLIC KNOW ABOUT THE CITY'S APPROVED TIGS AND PROJECT STATUS?

The City is committed to being transparent in the award and administration of the TIG program. All TIG agreements will require reporting mechanisms to be established that will allow the public to verify that the developers are meeting their contractual obligations. Also, information on all approved TIGs will be published in the City's annual budget document.



raleighnc.gov



ISSUER COMMENT

4 May 2021

RATING

Revenue ¹

Aaa Stable

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City of Raleigh

Annual Comment on Raleigh Water

Issuer Profile

Raleigh Water provides water and wastewater service to the City and several expanding, affluent neighboring suburbs in Wake County, North Carolina. The county has a population of 1,069,079 and a high population density of 1,285 people per square mile. The county's median family income is \$100,539 (1st quartile) and the March 2021 unemployment rate was 3.8% (2nd quartile) ². The main source of water supply is the Falls Lake. The City owns two other surface water supplies: Lake Benson and Wheeler, treats it at two of its facilities and distributes via a series of water mains and transmission lines. The City collects sewage via a series of pipelines and conveys the sewage for treatment to its three treatment plants.

Credit Overview

The credit position for Raleigh Water is exceptional. Its Aaa rating far surpasses the median rating of Aa3 for US water and wastewater systems. The key credit factors include a very large system size, a moderate income service area and robust liquidity. It also reflects a strong debt service coverage and an affordable debt profile.

System Characteristics: Raleigh Water has a very healthy system profile. The system size, measured as operating and maintenance expenses (\$113 million), is favorably above the US median while the median family income equates to a healthy 110.8% of the US level.

Financial Strength: The financial position of Raleigh Water is very strong and is favorable in relation to its Aaa rating. The days cash on hand (1,432 days) is excellent and greatly exceeds the US median, and it has grown significantly from 2016 to 2020. Additionally, the coverage of the annual debt service by net revenues (2.6x) is strong and higher than other Moody's-rated water and wastewater systems nationwide. The slight decline in annual debt service in fiscal 2020 was primarily due to the issuance of refunding bonds rather than operations. Lastly, the debt to operating revenues (2.7x) is roughly equivalent to the US median.

Sector Trends - North Carolina Water and Sewer

Water, sewer and storm water systems in North Carolina tend to be well-maintained and are in line with the national average with respect to asset condition, yet still need ongoing maintenance. Financial metrics are generally on par with US medians. Median debt service coverage (1.9 times) is in-line with the national median while liquidity remains substantially stronger (median 794 days cash). Utilities have an elevated median debt to operating revenues (3.3 times). Water supply in North Carolina is relatively abundant, and few water utilities face supply constraints, with many systems having ample capacity as a legacy of the loss of water intensive industries. North Carolina utilities have unlimited rate-setting autonomy.

EXHIBIT

Key Indicators for Raleigh Water & Sewer

| Credit Metrics | 2016 | 2017 | 2018 | 2019 | 2020 | US Median | Credit Trend |
|---|-------|-------|-------|-------|-------|-----------|--------------|
| Annual Debt Service Coverage (x) | 2.21x | 2.48x | 2.78x | 2.97x | 2.57x | 2.30x | Stable |
| Days Cash on Hand (Days) | 1,088 | 1,228 | 1,253 | 1,353 | 1,432 | 467 | Improved |
| Debt to Operating Revenues (x) | 3.2x | 3.2x | 2.9x | 2.7x | 2.7x | 2.1x | Stable |
| Median Family Income (% of US Median) | 110% | 110% | 110% | 110% | 111% | 90% | Stable |
| Remaining Useful Life of Capital Assets (Years) | 38 | 39 | 38 | 39 | 40 | 26 | Stable |

| Debt and Financial Data (\$000s) | 2016 | 2017 | 2018 | 2019 | 2020 | US Median |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Net Funded Debt | \$717,638 | \$760,122 | \$735,308 | \$707,750 | \$712,180 | \$59,249 |
| Total Revenues | \$231,247 | \$242,981 | \$259,702 | \$272,648 | \$278,475 | \$33,080 |
| Operating and Maintenance Expenses | \$99,311 | \$100,622 | \$104,712 | \$108,112 | \$113,458 | \$18,476 |
| Net Revenues | \$131,936 | \$142,359 | \$154,990 | \$164,536 | \$165,017 | \$13,916 |
| Debt Service | \$59,602 | \$57,365 | \$55,716 | \$55,316 | \$64,314 | \$5,805 |

| Governance/Legal Provisions | Score |
|--|---------------|
| Rate Management | Aaa |
| Regulatory Compliance and Capital Planning | Aaa |
| Rate Covenant | A |
| Debt Service Reserve Requirement | Baa and Below |

Source: Moody's Investors Service

EXHIBIT

Days Cash on Hand has increased from 2016 to 2020

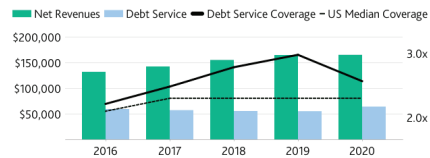


Source: Moody's Investors Service

This publication does not constitute a rating action. For any credit ratings referenced in this publication, please see the ratings tab in the issuer/entity page on www.moody.com for the most updated rating action information and rating history.

EXHIBIT B

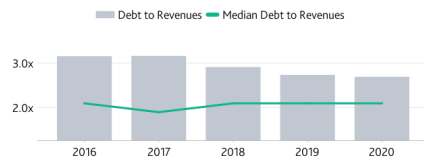
Debt Service Coverage Increased from 2016 to 2020



Source: Moody's Investors Service

EXHIBIT B

Debt to Operating Revenues Decreased from 2016 to 2020



Source: Moody's Investors Service

Endnotes

- The rating referenced in this report is the rating of the senior most lien on the relevant pledged revenues. Some utilities have bonds separately secured by distinct revenue sources. For these utilities, the rating referenced in this report is the senior most rating only on the relevant revenue pledge (e.g., water); the utility could have a higher rating on a different type of revenue bond (e.g., sewer).
- The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available U.S. government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.
The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the U.S. census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective. The highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.
- Moody's calculations of various statistics can be different than calculations reported in audited financial statements or offering documents. Moody's makes standard adjustments to reported financial data to facilitate comparisons across issuers. For definitions of the metrics in the Key Indicators table, see our [U.S. Municipal Utility Revenue Debt](#) methodology.
- The medians come from our most recently published report, [Medians: Solid financial performance, ability to increase rates underpin stability \(May 2020\)](#).

Weekly Events Digest

Friday, May 7 – Thursday, May 13

City of Raleigh Office of Emergency Management and Special Events
specialevents@raleighnc.gov | (919) 996-2200 | raleighnc.gov/special-events-office

**All permitted special events are subject to mass gathering limitations and Statewide requirements for face coverings and social distancing. For questions regarding the safe return of special events, please contact the Office of Emergency Management and Special events at 919-996-2200 or specialevents@raleighnc.gov.*

Permitted Special Events

Dine Out Downtown Fayetteville Street

Fayetteville Street District

Saturday, May 8

Event Time: 5:00pm - 9:00pm

Associated Road Closures: Fayetteville Street between Hargett Street and Martin Street, and Hargett Street and Martin Street between Salisbury Street and Wilmington Street will be closed from 3:00pm until 11:00pm. Note that local vehicular traffic will have access to the 100 and 300 blocks of Fayetteville Street.

Mother's Day 5K

Dorothea Dix Park

Sunday, May 9

Event Time: 8:00am - 11:00am

Associated Road Closures: A portion of Whiteside Drive between Umstead Drive and Biggs Drive will be closed from 6:00am until 12:00pm. The following route will be closed from 7:50am until 11:00am:

Start at Whiteside Drive; Right onto Biggs Drive; Right onto Ruggles Drive; Left onto Umstead Drive; Right onto Dawkins Drive; Left onto Umstead Drive; Right onto Ruggles Drive; Left onto Biggs Drive; Right onto Palmer Drive; Left onto Cranmer Drive; Left onto Umstead Drive; Right onto S. Boylan Avenue; Left onto Tate Drive; Right onto Richardson Drive; Left onto Umstead Drive; Right onto Middleton Drive; Left onto Palmer Drive; Right onto Biggs Drive; Right onto Whiteside Drive to finish

Black Flea Market

Raleigh Union Station Plaza

Sunday, May 9

Event Time: 1:00pm - 5:00pm

Associated Road Closures: No roads will be closed for the event. Union Station Plaza will be used from 11:00am until 6:00pm.

Raleigh Union Station Community Yoga Programs

Raleigh Union Station Plaza

Sunday, May 9 through Thursday, May 13

Event Times: 5:00pm – 8:00pm on Mondays, Wednesdays, and Thursdays; 6:00pm - 8:00pm on Tuesdays; and 9:30am – 11:00am on Sundays

Associated Road Closures: No roads will be closed for the events. Raleigh Union Station Plaza will be used during the above dates and times from 3-22-21 until 11-24-21. Details regarding class registration can be found through [Yoga Soul·lect·tive](#) for Mondays, [Oak City Yoga](#) for Tuesdays and Wednesdays, and [Current Wellness](#) for Thursdays and Sundays.

Other Events This Weekend

[First Friday](#)

Friday, May 7
Downtown Raleigh

[The Gibson Brothers with Tray Wellington Band](#)

Friday, May 7
Memorial Auditorium

[National Bike Month Events](#)

Friday, May 7 – Monday, May 31
Locations Citywide

[Beethoven Violin Concerto – North Carolina Symphony \(streaming\)](#)

Saturday, May 8
Streaming from Meymandi Concert Hall

[Moore Square Market](#)

Sunday, May 9
Moore Square

[Try a Citrix Cycle E-Bike](#)

Sunday, May 9
Mary Belle Pate Park

[Mike Epps In Real Life Comedy Tour](#)

Sunday, May 9
PNC Arena

Public Resources

[Pilot Text Alert Program](#): Sometimes spontaneous events happen downtown and in other areas that could affect local businesses. If you'd like to receive notifications when those events happen, including unpermitted ones, sign up for text alerts.

[Event Feedback Form](#): Tell us what you think about Raleigh events! We welcome citizen and participant feedback and encourage you to provide comments or concerns about any events regulated by the Office of Emergency Management and Special Events. We will use this helpful information in future planning.

[Road Closure and Road Race Map](#): A resource providing current information on street closures in Raleigh.

[Online Events Calendar](#): View all currently scheduled events that impact City streets, public plazas, and Dorothea Dix Park.

Council Member Follow Up

| | |
|------------|---|
| To | Marchell Adams David, City Manager |
| Thru | Patrick Young, Director |
| From | Donald Belk, Senior Planner |
| Department | Planning and Development |
| Date | May 5, 2021 |
| Subject | Council Follow-up Item: April 20, 2021 Work Session SE Special Area Study: Responses to Council Members Cox and Branch Requests for Information |

Background

Planning and Development presented draft recommendations for the Southeast Special Area Study at the Council work session on April 20, 2021.

Responses to Council Member Requests for Information

During the work session, Council Members Cox and Branch requested additional information with regard to operating cost details, annexation and potential extensions of the ETJ, and the impact of the completion of I-87 (US-64) on growth in the Town of Knightdale. This memorandum addresses each question with additional information.

Question 1: Request for additional detail about the two future potential Fire Stations, including operating cost estimates, inflation estimates, and salary and benefit increases of station personnel.

Raleigh Fire provided the following information in the staff report for the April 20, 2021 City Council work session (Agenda Item A.1., SE Special Area Study):

The Raleigh Fire Department is projecting two stations will be required for the Southeast Area. The following estimate includes the cost of constructing two fire stations, land acquisition, and required personnel and equipment to upfit.

| Item | Quantity | Cost per unit | Annual Operating Costs | Total Cost |
|----------------|----------|-------------------------|---------------------------|----------------------|
| Fire Station | 2 | \$ 11,800,000 | - | \$ 23,600,000 |
| Engine Company | 2 | \$ 311,025 ¹ | \$ 1,301,178 ² | \$ 3,224,406 |
| Ladder Company | 1 | \$ 390,355 ¹ | \$ 1,461,178 ³ | \$ 1,851,533 |
| Total | | \$ 12,501,380 | \$ 2,762,356 | \$ 28,675,939 |

¹One-time cost, first year only

²Includes \$130,000 annual equipment charge (first 5 years only)

³Includes \$290,000 annual equipment charge (first 5 years only)

Additional information provided May 5, 2021 by Raleigh Fire:

Breakdown of Operating Costs

- a. Station: The following monthly operating costs are based on current data from current Fire Station #12, which is one of newer facilities that would be comparable:
 - i. Electric: \$1,075
 - ii. Natural Gas: \$196
 - iii. Water: \$515
 - iv. Stormwater: \$166
- b. Fire Apparatus: These are the annual averages per unit type:
 - i. Engine: Fuel \$3,613, M&O \$9,248
 - ii. Ladder: Fuel \$5,167, M&O \$15,346
- c. Personnel: For two Engine Companies, the recurring salary/fringe benefit cost estimate is \$2,342,356 annually. For one Ladder Company, the recurring salary/fringe benefit cost estimate is \$1,171,178 annually.
- d. Salary and Benefit Increases: Although these fluctuate by year depending on pay adjustments and other factors such as forecasted fringe costs, personnel and benefits tend to increase about 3% per year.

Question 2: Request for information about how extension of the ETJ and future potential annexations in the study are coordinated with the Town of Knightdale.

City of Raleigh Ordinance 2006-106 and Town of Knightdale Ordinance 06-10-02-2006 establish the current annexation boundary between the two municipalities. The annexation agreement expires in October 2027. Changes to this agreement would only proceed upon City Council directive and would be subject to approval by the Raleigh City Council and Knightdale Town Council.

Extension of the extraterritorial jurisdictions of Raleigh and/or Knightdale is subject to the approval of Wake County.

The recently adopted Wake County Comprehensive Plan (PLANWake) generally reflects the existing agreements between Raleigh and Knightdale, designating 'Community' and 'Community Reserve' for Raleigh in the area previously defined as Urban Service Area (USA), and 'Walkable Center' and 'Community' for the Knightdale USA. The boundary line between these areas also corresponds to the existing annexation agreement.

Question 3: Request for information on the growth pattern for the Town of Knightdale since the opening of I-87 (US-64).

Staff is coordinating with Town of Knightdale staff to prepare an analysis of growth trends for the Town of Knightdale, similar to the precedent research of Apex contained in the staff report for the April 20, 2021 work session. This information will be provided in the May 21, 2021 weekly report.



Raleigh

MEMO

TO: Marchell Adams-David, City Manager

FROM: S.G. Oosterhoudt, Deputy Chief of Police

DEPARTMENT: Police

DATE: April 27th, 2021

SUBJECT: Council Response – Traffic Violations near 3200 Hillsborough Street

This memorandum addresses a request from Mayor Baldwin and Councilmember Cox for a report potential remedies to traffic violations in the 3200-block of Hillsborough Street and efforts to address them.

Throughout 2021, Raleigh experienced increased complaints of motor vehicle violations on the streets and highways traversing the city. The Southwest District Commander received a citizen's complaint of speeding, loud cars, and racing in the 3200-block of Hillsborough Street on February 19th, 2021. Police personnel completed a review of calls for service received by the Emergency Communications Center (ECC) concerning speeding, loud cars, and racing in the 3200-block of Hillsborough Street between January 1st, 2021 and April 21st, 2021. Complaints of this nature could not be found.

A focused response utilizing police department personnel from multiple divisions was established to concentrate on areas within the city subject to frequent complaints of traffic violations. Officers assigned to this initiative conducted an enforcement effort in the 3200-block of Hillsborough Street from April 21st, 2021, through April 23rd, 2021. During the three-day initiative, officers conducted 25-traffic stops resulting in 30-citations for speeding, loud mufflers, and equipment violations.

Police department personnel shared the request from Mayor Baldwin and Councilmember Cox with the Southwest District Commander who requested that officers increase patrols and enforcement in the 3200-block of Hillsborough Street. As an additional measure, the Southwest District Commander communicated with North Carolina State University Police Department personnel about encouraging their university population to observe speed limits within the City of Raleigh, with a specific focus on Hillsborough Street.

In conjunction with the Southwest District, the Traffic Enforcement Unit and officers assigned to the traffic initiative will continue to conduct enforcement initiatives in this area in the near future.

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(Mailing Address)



Raleigh

MEMO

TO: Marchell Adams-David, City Manager

FROM: S.G. Oosterhoudt, Deputy Chief of Police

DEPARTMENT: Police

DATE: 04/23/2021

SUBJECT: Council Response – 5565 Thornton Road

This memorandum is in response to a request made by Councilmember Cox regarding noise ordinance violations stemming from the Republic Recycling Center located at 5565 Thornton Road. The initial request by Councilmember Cox concerned the Waste Industries Transfer Station at 5565 Thornton Road. However, the Waste Industries Transfer Station is located at 9220 Durant Road, approximately 1.25-miles from Republic Recycling at 5565 Thornton Road.

A check of Raleigh Police Department calls for service, from April 26th, 2020, through April 26th, 2021, concerning loud noises generated on behalf of Republic Recycling was conducted by the Raleigh Intelligence Center. The Emergency Communications Center (ECC) received a single call regarding loud truck noises on February 10th, 2021, at 11:53 AM. The ECC received no other calls for service concerning loud noises stemming from Republic Recycling during the inquiry period.

Police Department personnel conducted two separate sound meter reading inquiries within the previous 12-months at the Republic Recycling Center. The initial inquiry was conducted on October 4th, 2020, and a second inquiry was completed on April 21st, 2021, in response to Council's request. During these inquiries, the facility was operational, with vehicles observed entering and exiting the property.

The Republic Recycling property on Thornton Road is zoned as heavy industrial. Under Raleigh City Code, the noise level permitted for properties zoned as heavy industrial is 70-decibels during daytime and 65-decibels during nighttime. During the October 4th, 2020 inquiry, the average noise produced from the property throughout the reading was 52.8-decibels. The investigation completed on April 21st, 2021, produced an average sound reading of 59-decibels, which falls within the limits of the Raleigh City Code. On that date, the facility was in full operation, with multiple commercial vehicles entering and exiting the property. No violations were observed during the time of the second inquiry.

While there may be loud bangs and clanks emanating from this location from time to time, which rise above the 70-decibel threshold, they are random and inconsistent. These types of random noises are expected with this type of industrial facility. Erratic loud noises are usually not calculatable with a sound meter because the randomization of sound, combined with consistent lower decibel readings, diminishes their existence.

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Understanding the Tax Increment Grant (TIG) Policy

Otherwise Known as "TIG"

WHAT IS A TAX INCREMENT GRANT (TIG)?

A TIG is an additional Economic Development tool in the City's toolkit. It is used by cities and counties to expand employment and economic development opportunities and to deliver needed public infrastructure and other benefits by providing development projects with a financial reimbursement grant equal to a set percentage of new property tax revenues created by the project for a set period of time.

DOES EVERY DEVELOPMENT PROJECT GET A TIG?

Like other Economic Development tools, the TIG does not fit every development project. The TIG policy lists project requirements for eligibility. Development projects are not guaranteed a TIG. Projects are reviewed by City staff and the City Council on a case-by-case basis. The project itself and public outcome desired of the project will help determine eligibility for a TIG.

WHAT IS THE PURPOSE OF A TIG?

- Uses public-private partnerships to create needed infrastructure and public benefits.
- Provides an opportunity for the City to influence the development project.
- Encourages development, jobs, and services in areas of need.

DOES A TIG PUT THE CITY AT RISK?

No. Under a TIG, the developer, not the City, assumes the risk to design and build the public infrastructure, facilities or benefit programs supported by the grant. The City does not borrow money to pay for the project. No grant payments will be made by the City until performance by the developer is verified and all property taxes associated with the project have been paid.

DOES THE PUBLIC GET TO PROVIDE INPUT ON THE TIG?

A public hearing is required as part of the approved policy for all TIG agreements before the agreements are presented to the City Council for a vote. This allows the public to learn about the project and the proposed grant and to share ideas and concerns for consideration. More robust engagement will take place with larger development projects where public benefits are included in the developer's obligations to receive a TIG. Council will determine the most appropriate way to gain community input. This enhanced engagement with the public will occur before the TIG terms are



negotiated and approved to help set priorities for public benefits with limited TIG funds. Most TIGs support the construction of public infrastructure or facilities that are priorities listed in approved plans where community engagement has occurred and has already been incorporated into the Council-approved project plans. In these cases where engagement has occurred via an adopted plan and the TIG funds planned infrastructure, the City will provide clear information on the project, timing, and funding.

CAN A TIG BENEFIT THE COMMUNITY?

Yes, it must! For the City to participate in a TIG agreement, the project must demonstrate measurable benefits to the public. The benefits may include jobs, infrastructure, and/or affordable housing. The developer must show that the proposed project is in alignment with City priorities and goals including the City's Strategic Plan.

WHAT ARE THE TYPES OF THINGS THAT CAN BE FINANCED THROUGH THE TIG?

Examples could include greenway connections, pedestrian improvement, transit infrastructure, environmentally advanced stormwater features, and so on; or facilities such as a park, arts venue, recreation facilities, etc. Combined with these could be other benefits to the community, such as job training or development of affordable housing.

TELL ME HOW AFFORDABLE HOUSING CAN BE LEVERAGED THROUGH THE TIG?

As part of a project qualifying for a TIG, a developer may obligate itself to construct a certain percentage or number of affordable housing units within the project. A TIG may increase funding available to a developer to support such affordable housing either through direct assistance or by reducing a developer's cost burdens for infrastructure within the project.



HOW DOES THE CITY BENEFIT FROM FINANCING IMPROVEMENTS THROUGH THE TIG?

- Incorporating public improvements in adopted plans into private projects with a TIG could expedite delivery of those improvements.
- Construction of the public infrastructure could occur at the same time as project construction, saving costs and minimizing disruption.
- The City is not taking on any debt to add priority infrastructure or other benefits that are commonly listed in approved plans.
- The development generates new and additional property tax revenue for the City with only a portion of the new revenue reimbursed to the developer as part of the TIG. The increased tax revenues to the City continue after the TIG payment period ends.

IS THE TIG A TAX BREAK?

With a TIG, the developer is still paying the full amount of property tax associated with the development. There are no tax breaks or tax reductions for the developer. This is a public-private partnership generating benefits from a portion of new property tax dollars.

HOW DOES A TIG BENEFIT THE DEVELOPER?

To enter into a TIG agreement, both the developer and the City need to see a benefit from the arrangement. For the City, the enhanced infrastructure and community benefits are the goal. For the developer, the infrastructure, while benefiting the public, may also enhance the value of the overall project. Parks and transit infrastructure are examples of investments that have benefit both the new development and the public who can make use of the facility. The social value to the City, the financial value to the developer, and the magnitude of the TIG must be balanced as part of the agreement.

HOW DOES THE FUNDING WORK?

The TIG is provided on a reimbursement basis only and based on a percentage of new, net incremental property taxes generated from the project within a defined area. All property taxes for the project are paid by the developer first and contractual performance verified; then the established percentage of the incremental property tax is paid to the developer for an approved number of years to cover the costs of the improvements. All terms, the grant amount and other requirements are spelled out in an agreement and voted on by Council after a public hearing.

The funding percentages and terms of the City's TIG are listed below. The developer is not guaranteed the maximum percentage or term. The higher grant percentage and years for priority economic development areas helps encourage economic development in all parts of the City. The actual percentage and term will be determined by the City based on the specific benefits of a proposed project.

| Priority Area for Economic Development | Net Incremental Property Tax | Length of Time |
|--|------------------------------|----------------|
| Outside | Up to 50% | Up to 10 years |
| Inside | Up to 75% | Up to 15 years |

IS THERE A LIMIT OR CAP ON THE TOTAL NUMBER OF TIGS THAT THE CITY COULD APPROVE?

Yes. The City's financial commitment for all approved projects may not exceed 2% of the City's annual property tax levy in any given year. For the 2020-2021 fiscal year, the total limit is \$5.1 million. The capacity limit will be evaluated annually by City staff and is expected to change based on the City's tax rate and total assessed property values.

HOW WILL THE PUBLIC KNOW ABOUT THE CITY'S APPROVED TIGS AND PROJECT STATUS?

The City is committed to being transparent in the award and administration of the TIG program. All TIG agreements will require reporting mechanisms to be established that will allow the public to verify that the developers are meeting their contractual obligations. Also, information on all approved TIGs will be published in the City's annual budget document.

