

**APPENDIX A****THE COUNTY OF DURHAM, NORTH CAROLINA****GENERAL DESCRIPTION**

The County is located in the north central portion of the State of North Carolina (the “*State*”) in an area known as the “Triangle” anchored by Duke University in the City of Durham (the “*City*”) which is in the County, North Carolina State University in nearby Raleigh, and The University of North Carolina in nearby Chapel Hill. The County, which was created by the General Assembly of the State in 1881, covers an area of approximately 299 square miles. The County’s topography is typical of the Piedmont Plateau and is characterized by rolling hills and long, low ridges.

**DEMOGRAPHIC CHARACTERISTICS**

The United States Department of Commerce, Bureau of the Census, has recorded the population of the County as follows:

<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2020</b>
181,835	223,314	271,366	324,833

The Durham City/County Planning Department has estimated the population of the County as follows:

<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
327,306	332,680	336,892	343,628

Over 90% of the County’s residents reside in the City, the county seat. It is the fourth largest city in the State.

According to the U.S. Census Bureau, the population of the Durham Chapel Hill Metropolitan Statistical Area, which includes Durham, Orange, Chatham, and Person counties, was estimated to be approximately 620,522 as of July 1, 2024. The population of the larger Raleigh Durham Chapel Hill Combined Metropolitan Statistical Area, which includes the four counties noted above as well as Wake, Franklin, Johnston, and Harnett counties, was estimated by the U.S. Census Bureau, to be approximately 2,439,501 as of July 1, 2024.

Per capita income data is in the following table:

<u>Year</u>	<u>County</u>	<u>State</u>
2020	\$55,117	\$51,816
2021	58,896	57,233
2022	61,727	59,092
2023	65,562	62,233
2024	69,077	65,634

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Source: United States Department of Commerce, Bureau of Economic Analysis.

## **BUSINESS AND ECONOMIC PROFILE**

The County’s economic profile evolves from a diverse mixture of education, health care, research, manufacturing, and service industries, and increasingly, clean energy. In its 2024 ranking of states, Business Facilities ranked North Carolina as second for “Best Business Climate” in the nation. In 2025, WalletHub ranked Durham as the 12th best city in the United States in which to start a business. The education and skill level of the labor force is a major factor in attracting employers to the County. Approximately 57% of the County’s residents possess at least a bachelor’s degree, compared with 36% nationally.

## **EDUCATION**

The three institutions of higher education located in the County are Duke University, North Carolina Central University - a constituent institution of The University of North Carolina System, and Durham Technical Community College - a part of the North Carolina Community Colleges System.

*Duke.* Duke University (“*Duke*”) was founded in 1924, when James B. Duke designated Durham’s Trinity College as one of the principal beneficiaries of the Duke Endowment. It has over 8,600 acres on three campuses in the County known as the East campus, West campus, and Central campus. East campus is surrounded by established residential neighborhoods and is a short walking distance to the downtown district of the City. A majority of Duke’s academic programs, including the world-renowned Duke University Medical Center, are located on the 720-acre West campus, which is about 1.5 miles from East campus. Central campus consists of nearly 200 acres and provides housing for over 1,000 upper-class students. Duke enrolls approximately 16,500 students in its ten schools and colleges. Approximately 42,565 people are employed at Duke and Duke University Medical Center, making it the largest employer in the County and the second largest employer in the State. In its 2026 rankings, *U.S. News & World Report* selected Duke as tied for seventh among National Universities.

*NCCU.* North Carolina Central University (“*NCCU*”), founded in 1910 as a private institution, became the first State-supported liberal arts college for black students in the nation. It was designated a constituent institution of The University of North Carolina in 1972. NCCU offers

programs of undergraduate and graduate study with emphasis in the areas of education, law, biomedicine, and biotechnology at its 100-acre campus southeast of downtown Durham. It enrolls approximately 9,280 undergraduate, graduate, and professional students and employs approximately 1,560 persons. In its 2026 rankings, *U.S. News & World Report* selected NCCU 13th among historically black colleges and universities in the nation.

*Durham Technical Community College.* Durham Technical Community College (“DTCC”) offers vocational technical career programs tailored to meet the occupational needs of the Durham community. DTCC offers more than 90 degrees, diplomas, and certificates and serves more than 18,000 students in curriculum, continuing, and corporate education. DTCC receives the majority of its current expense funds from federal and State sources. A portion of the additional 1/4 cent Local Sales and Use Tax for Education approved by voters of the County in November of 2011 is funding the County’s commitment to DTCC. The County does not designate management or significantly influence operations of DTCC, and DTCC is not accountable to the County for its fiscal matters beyond the County’s annual appropriation.

The County has also issued its general obligation bonds from time to time to finance improvements at DTCC. In November 2022, County voters approved a \$112.7 million referendum to construct two health care and life sciences training facilities, which are currently under construction. In January 2023, Novo Nordisk, a leading global healthcare company that produces medicines to treat diabetes and rare blood disorders, announced a \$6 million gift to DTCC to support one of these facilities, a new 35,000-square-foot to be named Novo Nordisk Life Sciences Center. It will house DTCC’s biotechnology degree programs and provide space for industry training and engagement. The other facility is an 80,000 square-foot health sciences building that will house DTCC’s nursing, surgical technology, anesthesia technology, respiratory therapy, clinical research, and occupational therapy programs.

*UNC Chapel Hill; NC State.* The University of North Carolina at Chapel Hill (“UNC”) is located approximately five miles outside the County and North Carolina State University in Raleigh (“NC State”) is located approximately 15 miles outside the County. These neighboring universities and those within the County provide the community with advanced educational offerings, extensive research opportunities, numerous cultural events, and collegiate sports activities. In its 2026 rankings, *U.S. News & World Report* UNC tied for the fourth best public university in the country while NC State tied for 29th.

*North Carolina School of Science and Mathematics.* Ranked by Niche as the best public high school in the nation, the North Carolina School of Science and Mathematics began operating in 1980. It is a residential high school that recruits students with aptitude and interest in science and mathematics from across the State. During a typical year, approximately 680 residential students live on campus. The school also serves students through its online program and other distance education offerings. The school is located on the historic Watts Hospital complex which was donated to the State by the County. It is a constituent institution of The University of North Carolina.

## HEALTH CARE

The City is called the “City of Medicine” because of its vibrant healthcare industry. More than 1,200 medical- and health-related companies are located in the County, employing nearly a third of the County’s workers. Duke University Hospital (“*Duke Hospital*”), Duke Regional Hospital, North Carolina Specialty Hospital, Duke Children’s Hospital and Health Center, a U.S. Department of Veterans Affairs hospital, and Lincoln Community Health Center (“*Lincoln Health*”) are all located within the County. The physician to population ratio is four times that of the national average, and the registered nurse to population ratio is three times that of the national average.

Duke University Health System (“*DUHS*”) employs roughly 26,000 people in the City and surrounding areas while Duke University’s Schools of Medicine and Nursing together employ an additional approximately 11,000 people. Duke Hospital is the flagship of DUHS, which also includes Duke Regional Hospital in the City, Duke Children’s Hospital and Health Center, Duke Raleigh Hospital in Raleigh, and more than 200 ambulatory care clinics. In its 2026 rankings, *U.S. News and World Report* ranked Duke Hospital as the top hospital in the State for the 14<sup>th</sup> year in a row, and ranked the hospital nationally in 11 adult specialties and 10 pediatric specialties. It is a 1,062-bed full-service tertiary and quaternary care hospital that also functions as a research hospital and as a teaching hospital for students of medicine, nursing, and the allied health sciences.

Duke Regional Hospital is an approximately 388-bed acute care hospital that offers a comprehensive range of medical, surgical, and diagnostic services, including orthopedics, weight-loss surgery, women's services, and heart and vascular services. It is leased from the County and operated by DUHS. With more than 3,500 employees, it provides a comprehensive range of medical, surgical and diagnostic services. For its 2026 rankings, *U.S. News & World Report* ranked Duke Regional Hospital as the ninth best hospital in the State.

North Carolina Specialty Hospital is a private, physician-owned medical center that opened its doors in 1926. It has 18 licensed beds, nine observation beds, four operating rooms, and five procedure rooms to accommodate both inpatient and outpatient surgery. North Carolina Specialty Hospital offers surgical specialties in orthopedics, ophthalmology, ear, nose and throat as well as sports medicine, oral surgery, plastic surgery, podiatry, general surgery, bariatric, interventional radiology, pain management, reconstructive surgery, joint replacement, wound healing, and hyperbaric treatment.

Durham Veteran Affairs (VA) Medical Center is also located in the City. It is a 151-bed tertiary care referral, teaching and research facility affiliated with Campbell University College of Pharmacy and Health Sciences, the University of North Carolina Eshelman School of Pharmacy, and the Duke University School of Medicine. The Durham VA Medical Center provides general and specialty medical, surgical, psychiatric inpatient, and ambulatory services, and serves as a major referral center for North Carolina, southern Virginia, northern South Carolina, and eastern Tennessee.

Lincoln Health, a non-profit institution, is a comprehensive health care facility designed for the health care consumer who wishes to enter a continuity-of-care system that includes disease

prevention and maintenance of health care, management of chronic diseases, and hospitalization when indicated. At Lincoln Health, medical care is offered through a comprehensive array of services emphasizing health promotion and disease prevention. Patients are charged according to income based on federal poverty guidelines.

## **RESEARCH AND OTHER COUNTY BUSINESS PARKS**

*Research Triangle Park.* The Research Triangle Park (the “*Park*”) is one of the largest planned research parks in the world, covering over 7,000 acres of rolling, wooded landscape. The Research Triangle Foundation (“*RTF*”), a nonprofit entity, is responsible for the management and development of the Park. Approximately 80% of the Park lies within the County and 95% of Park businesses are located in the County. Founded in 1959, it is approximately equidistant from Duke, UNC, and NC State, which provide research capabilities to industries located in the Park. The Park has grown steadily since its founding from 200,000 square feet of space in 1960 to currently 22.5 million square feet of developed space. The Park is the longest-operating research park in the country. Over 375 companies and approximately 60,000 employees are located in the Park. Major companies located in the Park include IBM Corporation, Cisco Systems, Fidelity Investments, and BASF Corporation. The Park’s presence has generated growth in the surrounding areas of the County for homes and commercial and industrial sites.

The Park continues to innovate. RTF operates separate subsidiaries within the Park, including the Frontier, which redeveloped old IBM buildings in the Park Center to attract startups looking for affordable space. Pursuant to an agreement between RTF and the County, the County has contributed funds to redevelop the 100-acre Park Center within the Park. In November 2021, RTF opened the Boxyard RTP to the public, an 18,000 square-foot complex that turned shipping containers into functional dining and retail spaces. The Hub, the Park’s first live, work, and play development, is currently under development. The \$1.5 billion, 100-acre project is expected to bring one million square feet of office space, 125,000 square feet of retail and office space, 228,000 square feet of custom lab space, 279 hotel rooms, 1,200 apartment units, a luxury hotel, and 16 acres of greenspace once complete. As the first buildings in the Hub have begun to open, the Park has already begun developing the next phase of growth and development.

In 2020, the global pharmaceutical company Eli Lilly and Company (“*Lilly*”) announced plans to build its first North Carolina manufacturing facility in the Park. Since 2020, Lilly has committed approximately \$1.7 billion for the development and expansion of its facilities in the Park. In January 2023, Lilly announced an additional investment of \$450 million to expand its manufacturing capacity and create an additional 100 jobs, including additional parenteral filling, device assembly and packaging capacity to support increased demand for Lilly’s incretin products, which treat diabetes. The Lilly plant is expected to employ approximately 600 people at five buildings over the next decade, with a goal to be fully operational in 2027.

In June 2022 KBI Biopharma, Inc. opened a 150,000,000 square-foot, \$150 million commercial biologics manufacturing facility in the Park. The plant supports the production of mammalian-based products, beginning with the late-stage clinical and commercial program of an undisclosed client.

In December 2022, Catalent, Inc., a global contract development and manufacturing company headquartered in New Jersey, announced plans to construct an 80,000 square-foot, \$40 million facility in the Park to expand its analytical development and testing business. In December 2024, Catalent was acquired by Novo Holdings, a holding and investment company that is responsible for managing the assets and wealth of the Novo Nordisk Foundation.

Biotechnology company United Therapeutics has its co-headquarters in the Park in multiple facilities. In June 2023, the company announced that it would be expanding its footprint in the Park with a \$500 million facility to produce Remodulin, a drug used to treat cardio pulmonary hypertension. The 208,000 square-foot facility opened on time in 2025. The company also has a new 196,000 square-foot mass timber facility for manufacturing dry powder drug products and a 55,000 square-foot distribution center in the Park.

In June 2024, TruLab, the leading provider of technology for clinical trial oversight, relocated its headquarters from downtown Durham to Frontier RTP, located in the Hub.

In July 2024, Science Corporation, a medical technology start-up headquartered in Alameda, California with a facility in the Park, announced plans to expand its facility by 57,000 square feet with a \$65 million investment. The company develops brain-computer interface devices such as a visual prosthesis for degenerative retinal devices.

Laying the groundwork for what is being called RTP 3.0 and better connectivity in RTP, GoTriangle's transit center will be relocated to the Park near the Hub. The Triangle Mobility Hub will be a 19-acre multi-modal, mixed use transit center housing a new headquarters for GoTriangle with covered bays, covered loading zones for paratransit, microtransit, and rideshare vehicles, and air-conditioned waiting areas. A hotel is planned to welcome travelers.

*Treyburn Corporate Park.* Treyburn is a master planned 5,300-acre mixed-use development located in the northeastern part of the County. Treyburn houses schools, a retirement community, a planned community-oriented retail area, and recreational facilities as well as Treyburn Corporate Park - a 1,400-acre master planned business park that was designed to attract corporate headquarters, research and development, as well as manufacturing operations.

Manufacturers located in Treyburn Corporate Park include BioMerieux, a French medical diagnostic testing equipment company, which has its North American headquarters located there. The company manufactures nearly one half of the world's blood culture reagents.

Merck & Co. ("*Merck*"), a global pharmaceutical manufacturing company, selected Treyburn for its new 262-acre vaccine manufacturing campus in 2004, after a national site search. Merck's Hilleman Center in Treyburn Corporate Park has been expanded over time and is one the largest and most innovative vaccine manufacturing facilities in the world. Its most recent \$1 billion, 225,000 square-foot expansion opened in March 2025. The Hilleman Center houses the production of several Merck pediatric, adolescent, and adult products, including the measles, mumps, and rubella vaccines. Also in 2025, Merck acquired British drugmaker Verona Pharma, with its United States headquarters in Raleigh, for approximately \$10 billion.

AISIN North Carolina Corporation (“AISIN”), formerly known as AW North Carolina, Inc., is a supplier of automotive components and systems. It has been located in Treyburn since 1999. AISIN recently invested more than \$200 million to launch two new production lines in its facility for the production of two-motor hybrid transmission systems.

Cormetech, a joint venture between Mitsubishi and Corning also located in Treyburn, develops and manufactures catalytic converters. Southern Research Institute, an energy and transportation fuel research facility which facilitates the development and commercial acceptance of technologies that convert nonpetroleum carbon resources into high value products such as clean diesel fuel, jet fuel, methanol, ethanol, and electric power, has been located in Treyburn since 2007. BD Biosciences manufactures a wide range of labware products at its facility in Treyburn. Novo Nordisk, a Danish pharmaceutical company that specializes in diabetes care products, operates a 150,000 square-foot manufacturing facility in Treyburn formerly owned by Purdue Pharma.

*Other Business and Industrial Development.* In addition to the Park and Treyburn, the County is home to more than 10 major business and industrial parks. The Imperial Center, which adjoins the Park, is an office and industrial park consisting of 450 acres. Buildings containing two million square feet, together with the 331-room Sheraton Hotel and Convention Center, are located in the Imperial Center.

Wolfspeed, Inc., formerly known as Cree, Inc. and Cree/Wolfspeed, is the global leader in silicon carbide technology. The company was created by researchers from NC State and is headquartered in the County. Wofspeed manufactures computer chips and semiconductor products for power and radio-frequency applications. In August 2024, Wolfspeed announced plans to close its 150-millimeter wafer fabrication facility and reduce its workforce in the City as part of a strategic transition to more advanced manufacturing processes. Despite this closure, Wolfspeed maintains its corporate headquarters and two materials manufacturing facilities in the City.

In February 2023 Kempower, a Finland-headquartered manufacturer of electric vehicle charging systems, selected the County as its North American base. It celebrated the grand opening of its manufacturing facility in June 2024. Its other three factories are located in Europe.

In June 2024, IONNA, a clean energy, technology and electric vehicle charging company founded by eight of the world’s largest automakers, including BMW, GM and Honda, announced the City as its global headquarters.

## **DOWNTOWN DEVELOPMENT**

The City’s downtown area has undergone significant transformation, marked by a mix of public and private investments that have revitalized the City’s central business district. The City’s downtown transformation began in 2003 when the City, the County, and Capitol Broadcasting Company partnered to redevelop the historic American Tobacco manufacturing plant, creating the 15-acre American Tobacco Campus with 14 buildings and three structures. Over the next 20 years, the American Tobacco Campus was revitalized from a dormant industrial site into a vibrant mixed-

use historic development, with over \$200 million invested in its redevelopment, resulting in 720,000 square feet of commercial space, 80 residential apartments, and two parking facilities. The campus's redevelopment has attracted major tenants to the area, including, Duke University, Nutanix, BioLabs, and Meta's Reality Labs division.

Within the American Tobacco Campus are two City-owned entertainment venues that have served as catalysts for continued development downtown - the Durham Performing Arts Center ("DPAC") and the Durham Bulls Athletic Park ("DBAP"). DPAC, built in 2008, features a 2,700-seat multi-use performance theater that has garnered numerous awards and recognitions. In its most recent season, DPAC welcomed nearly 500,000 guests to 212 performances, including hit Broadway shows, concerts, comedy shows, and other events. The venue's national prominence is reflected in its 2024-2025 season rankings as the #2 theater in the nation based on ticket revenue by Billboard Magazine and the #5 theatre based on attendance by Pollstar Magazine. DBAP is a 10,000-seat baseball stadium that is home to the Durham Bulls, a Class AAA affiliate of the Tampa Bay Rays. It dates back to 1926 and was last renovated in 2008. DBAP sits on 5.44 acres in the heart of downtown Durham.

Just west of DBAP lies Durham's Innovation District (the "*Innovation District*"), a 27-acre hub that emerged from a collaborative partnership between Boston-based Longfellow Real Estate Partners, local educational company Measurement Inc., and Duke University. The district encompasses 1.8 million square feet of laboratory and office space, complemented by 60,000 square feet of retail space and 250,000 square feet of residential development. In 2020, Longfellow consolidated its stake in the project by acquiring full ownership for \$138 million. Since then, the Innovation District has undergone significant expansion. Two seven-story mixed-use buildings have added nearly 350,000 square feet of office and retail space, supported by a new eight-story parking structure. The residential offerings have grown with the completion of Beckon, a six-story apartment complex featuring 263 units, sustainable design elements, and ground-floor retail space. With its focus on life sciences and innovation-oriented companies, the district continues to house research facilities and technology firms while maintaining partnerships with educational and industry organizations.

The Novus is a 27-story residential skyscraper in the City's Five Points district that opened in July 2025. It offers condominiums for sale as well as rental apartments and ground-floor retail. Amenities include putting greens and golf simulator, spaces to work remotely, a pickleball court, an outdoor movie theater and a dog park, plus pools, hot tubs and a steam room.

## EMPLOYMENT

The following table lists, by name, product or service and approximate number of employees, the major business and institutional establishments in the County as of June 2025.

<u>Company or Institution</u>	<u>Product or Service</u>	<u>Approximate Number of Employees</u>
Duke University and Health System, Inc.	Clinical care, education and research	48,313
Fidelity Investments	Financial Services	8,400
International Business Machines (IBM)	Information technology	7,000
Blue Cross and Blue Shield North Carolina	Insurance	6,206
Durham Public Schools	Public Education	5,054
Wolfspeed, Inc.	Manufacturing	5,013
Pfizer	Biopharmaceutical services	3,900
Cisco Systems, Inc.	Digital communications	3,700
IQVIA (formerly Quintiles)	Biopharmaceutical services	2,700
Research Triangle Institute	Scientific research	1,700

The Labor & Economic Analysis Division of the North Carolina Department of Commerce has estimated the percentage of unemployment (unadjusted for season) in the County to be as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>		<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
January	3.3%	3.3%	3.3%	3.4%	N/A	July	4.4%	3.4%	3.3%	3.7%	3.5%
February	3.2	3.3	3.4	3.1	N/A	August	4.1	3.6	3.4	3.5	3.8
March	3.0	3.1	3.3	3.2	N/A	September	3.5	3.0	3.0	2.9	3.4
April	2.8	2.7	2.8	3.0		October	3.5	3.3	3.1	2.9	- <sup>1</sup>
May	3.1	3.1	3.1	3.3		November	3.1	3.2	3.1	3.2	3.8
June	3.5	3.3	3.5	3.6		December	2.7	2.8	3.0	2.9	3.1

<sup>1</sup> Data for October 2025 not available.

## RETAIL SALES

Taxable retail sales in the County for the fiscal years ended June 30, 2020 through June 30, 2024 are shown in the following table:

<u>Fiscal Year Ended June 30</u>	<u>Taxable Retail Sales</u>	<u>Increase (Decrease) Over Previous Year</u>
2021	\$ 8,612,784,253	10.3% <sup>1</sup>
2022	10,073,809,347	17.0 <sup>1</sup>
2023	10,661,429,553	5.8
2024	10,766,356,401	1.0
2025	10,669,278,628	(0.9)
2026 (7 months <sup>2</sup> )	6,668,513,346	--

Source: North Carolina Department of Revenue, Sales and Use Tax Division

<sup>1</sup> The large increase in taxable sales for fiscal years 2021 and 2022 may have been due, at least in part, to shifts in consumer spending and direct stimulus support given to households during the COVID-19 pandemic, along with rising inflation.

<sup>2</sup> For the seven-month period ended January 31, 2026. Taxable retail sales were \$6,265,786,352 for the same seven-month period ended January 31, 2025.

## CONSTRUCTION ACTIVITY

Construction activity in the County, including the City, is indicated by the following table showing the number of building permits issued and the related value of construction:

<u>Calendar Year</u>	<u>Commercial</u>		<u>Residential</u>		<u>Total Value</u>
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	
2020	1,159	\$1,517,408,457	4,408	\$727,884,482	\$2,245,292,939
2021	852	1,114,283,280	4,728	945,408,390	2,059,691,670
2022	860	1,085,091,424	4,335	1,241,327,778	2,326,419,202
2023	1,011	934,782,533	2,470	1,200,886,473	2,135,669,006
<b>2024</b>					
<b>2025</b>					

Source: City/County of Durham Inspections Department.

## GOVERNMENT AND MAJOR SERVICES

*Government Structure.* The County is governed by a Board of Commissioners (the “Board”). The Board consists of five members who are elected at large to four-year terms on a partisan basis. Elections for the Board are held in November of every four years. The Board annually elects a chair and a vice chair from among its members.

The major duties of the Board include adopting an annual budget; establishing the annual property tax rate; appointing various officials (the County Manager, the County Attorney and members of County boards and commissions); enacting policies concerning the operation of the County; planning for County needs; and enacting local ordinances. The Board also has authority to call bond referenda, enter into contracts and establish new programs and departments.

The County Manager is the chief administrator of the County. The County Manager is appointed by the Board and serves at the Board’s discretion. The major duties of the County Manager include supervising and coordinating the activities of the County departments for the Board; seeing that all orders and policies of the Board are carried out; making recommendations on appropriate matters of business; recommending an annual budget and advising the Board on the financial condition of the County; representing the County in business with other agencies; and performing other duties assigned by the Board.

*Durham Public School System (“DPS”).* There is one public school system serving the County. DPS is governed by a Board of Education (the “Board of Education”), consisting of seven members elected for four-year terms. A school superintendent is appointed by the Board of Education.

The State provides funding for a basic minimum educational program which is supplemented by the County and federal governments. This minimum program provides funds for operational costs only, while financing of public-school facilities has been a joint State and County effort. Local financial support is provided by the County for capital and operating costs which is not provided for by the State or federal government.

The County makes contributions to the system from its General Fund and the proceeds of general obligation bonds issued from time to time for public school purposes by the County. The County also provides significant Pre-K support outside of direct DPS funding support.

A portion of the amount expended for Board of Education operating expenses comes from a cent Local Sales and Use Tax for Education that was approved by the voters of the County in November 2011. The County began collecting the additional tax on April 1, 2012, and the Board has committed these proceeds for use toward supporting educational purposes to include debt service on County educational (school) debt. As such, any unspent portion of these funds are committed to fund balance for educational purposes in the County’s General Fund. For the fiscal year ended June 30, 2025, the County collected \$ 21,491,242 . Of this amount, \$ \_\_\_\_\_ was used to fund County debt service on school-related obligations.

The following table shows the combined number of schools by grade level and average daily membership (“ADM”) for the Durham Public School System:

<u>School Year</u>	<u>Elementary Grades K-5</u>		<u>Junior High Grades 6-8</u>		<u>Secondary Grades 9-12</u>	
	<u>Number</u>	<u>ADM<sup>1</sup></u>	<u>Number</u>	<u>ADM<sup>1</sup></u>	<u>Number</u>	<u>ADM<sup>1</sup></u>
2021-22	30	13,873	9	6,819	15	10,688
2022-23	31	13,759	9	6,575	15	10,790
2023-24	31	13,711	9	6,413	15	10,724
2024-25	32	13,859	10	6,446	15	10,806
2025-26	32	13,292	10	6,263	15	10,108

<sup>1</sup> Average daily membership (“ADM”) (determined by actual records at the schools) is computed by the North Carolina Department of Public Instruction on a uniform basis for all public school units in the State. The ADM computations are used as a basis for teacher allotments and for distribution of local funds.

Source: North Carolina Department of Public Instruction.

Various public charter schools also serve the County. They operate under license from the State to conduct innovative education efforts and are funded from local, State, and federal sources. The County’s appropriations to the charter schools are a part of its appropriations to the public school system.

*Transportation.* The County is served by a network of highways, including Interstate highways 40 and 85, U.S. highways 15, 70 and 501, and North Carolina highways 54, 55, 98, 147, and 751. Expansion and betterment of the State highways and federal highways are completely the responsibility of the State.

The County, together with the City, the City of Raleigh, and the County of Wake, owns the Raleigh-Durham International Airport (“RDU”). The airport is operated by the Raleigh-Durham Airport Authority (the “Authority”) and is served by 20 carriers out of two passenger terminals. The County, the Cities of Durham and Raleigh along with Wake County each appoint two members to the eight-member board of the Authority. The County is not financially responsible for airport capital improvements or operations.

GoTriangle (formerly known as Triangle Transit) is the regional public transportation agency that provides bus and shuttle service, paratransit services, ridematching and vanpools, commuter resources, and an emergency ride home program in the Raleigh-Durham-Chapel Hill area. It is engaged in the planning and implementation of major regional transit investments.

An additional ½ cent Local Sales and Use Tax for Public Transportation was approved by the voters of the County in November 2011. The County began to levy this tax in April 2013, as neighboring Orange County approved a similar transit tax so that the proceeds may be concurrently levied and used for multi-jurisdictional options, including implementation of the Bus and Rail Investment Plan. Further, the Board authorized the levy of a \$7.00 Motor Vehicle Registration Tax in March 2013, collection of which began in September of 2013. The proceeds of the tax are distributed to the County and shared with the municipalities located within the County who operate a public transit system on a pro rata basis. Through an interlocal agreement, the municipalities

located within the County agreed to allow the County to retain its share, which is used to fund the Durham County Transit Plan.

The County is served by three railroads (Norfolk Southern Corp., CSX Transportation and Amtrak) and two bus lines as well as the bus service provided by the GoTriangle.

## **HUMAN SERVICES**

*Social Services.* The mission of the County Social Services Department is to partner with families and communities in achieving well-being through prosperity, permanence, safety, and support. The Department offers financial assistance and services to individuals and families directed toward family self-sufficiency and protection of vulnerable adults and children. Social services programs are regulated primarily by State and federal agencies. The County Social Services Department is charged with the administration of these programs on a County-wide basis. Financial assistance and service programs and their administration are funded by varying percentages of federal, State, and County support.

*Mental Health.* Alliance Health (“Alliance”) is a multi-county area authority, organized under North Carolina General Statute Chapter 122C-115, to administer mental health, substance abuse, and development disability services for the County and other counties. Funding for the administration of Alliance is the responsibility of the State with counties providing funds for the provision of services.

*Public Health.* The County Health Department’s mission is to preserve, protect and enhance the general health and environment of the community. The County Health Department is comprised of multiple divisions: Administration, Dental Services, Laboratory, Nutrition, Pharmacy, Child Health, Communicable Diseases, Immunization/Refugee Health, STD/HTV Testing, and Women’s Health Services. Major services of the County Health Department include communicable disease control, maternal and child health services, public health nursing, dental health, health education, public health laboratories, and vital statistics. The Environmental Health Division regulates sanitation in food handling establishments, public lodging places, public institutions and recreational facilities, and the sanitation and quality of milk supplies. It also operates rodent and insect control programs, monitors solid waste disposal, and conducts occupational disease programs.

*Health Trust Fund.* Pursuant to agreements executed among the County, Duke Regional Hospital and Duke Hospital, effective July 1, 1998, the County began leasing its hospital facilities to Duke Hospital under the terms of a long-term operating lease with a current expiration date of June 30, 2049. The rental payments received and to be received by the County on an annual basis are as follows:

From January 1, 2019 to June 30, 2019 = \$625,000

From July 1, 2019 to June 30, 2031 = \$1,250,000

From and after July 1, 2031 = \$0

In addition, under the terms of the sublease, the County receives additional payments, annually adjusted for inflation, for its support of emergency medical services previously provided by Duke Regional Hospital and assumed by the County under the agreements. These funds are accounted for in the General Fund.

*Public Safety.* The Durham County Sheriff's Office serves as the primary law enforcement agency for the approximately 200 square miles of the unincorporated area within the County. Nearly 500 civilian and sworn law enforcement and detention officers work across its multiple divisions and units. The Durham County Sheriff is also responsible for the administration and operation of the County's Detention Facility. The County's Detention Facility houses inmates in a safe, secure, and adequate environment while ensuring the protection of inmates, staff, and the surrounding community through the proper administration and operation of the facility. It is dedicated to providing several "self-help" and work programs for inmates to reduce recidivism and promote rehabilitation and productive use of time spent under incarceration.

*Fire Protection.* Fire protection in the County is provided by four fire departments that provide fire suppression, emergency medical services and rescue. In addition, some sections of the County are covered by three other fire districts with primary response areas outside of the County: Eno Volunteer Fire Department, Moriah Volunteer Fire Department, and New Hope Volunteer Fire Department.

*Public Utility Enterprises.* The primary water and wastewater services provider within the County is the City. The water service area includes all of the City's incorporated area and portions of the County including the Park, and the City's water and sewer system (the "System"). Separate from the City, the County's Utilities Division owns and operates the 12 MGD Triangle Wastewater Treatment Plant and the Rougemont Water System in the northern part of the County.

Electric service is provided by Duke Energy and Piedmont Electric Corporation and natural gas service is provided by Public Service Company of North Carolina, Inc.

*Library Facilities.* The County Main Public Library was the first tax-supported library in the State. Funding for the library system is primarily from local revenues. In 2021, the Main Public Library reopened after a major renovation that focused on environmental sustainability and included the addition of nearly 20,000 square feet. The County has issued general obligation bonds from time to time to finance improvements to its library system.

*Museum of Life and Sciences.* Although the Museum of Life and Sciences (the "Science Museum") is owned by a nonprofit corporation, the County provides funding to support both its operations and capital projects. The Science Museum was previously known as the North Carolina Museum of Life and Science and the North Children's Museum. It is situated on an 84-acre campus less than five miles from downtown Durham.

*Other Services.* The County and the City jointly own and operate the Durham Convention Center (the "Convention Center") which includes more than 40,000 square feet of meeting space among 13 rooms and a 14,080 square-foot Grand Ballroom. The Convention Center was constructed as part of a downtown development project, with public and private components, that

included the renovation of the Carolina Theater and a City-owned building leased to the Durham Arts Council and the construction of public parking facilities, a hotel, and a private office building.

The County operates and maintains the 8,500-seat Durham County Memorial Stadium and generates on-going revenues through rental and concession fees. In 2019, the County completed a renovation of the stadium. The renovations included installation of an artificial turf football field, an eight-lane track as well as an expanded press box with elevator, improved locker rooms, improved ADA access, and additional restrooms and concessions.

## **ENVIRONMENTAL SUSTAINABILITY**

Through its Office of Sustainability, the County has developed and implemented many environmental sustainability initiatives.

As the State's first community plan aimed at reducing greenhouse gases, the County's Greenhouse Gas Emissions Reduction Plan (the "*GHGR Plan*") targets a 30% reduction in local government greenhouse gas emissions and a 50% reduction in community greenhouse gas emissions from 2005 levels by 2030. In October 2021, the County adopted a Renewable Energy Action Plan as a way of implementing the Board's 2018 resolution calling for the transition from fossil-fuel-powered operations to 80% clean renewable energy by 2030 and 100% by 2050.

The County has implemented several changes to various departments and organizations in furtherance of the GHGR Plan and Renewable Energy Action Plan, including conducting extensive energy and water upgrades to County facilities, installing electric vehicle charging stations, providing energy retrofits for homes, and purchasing fuel-efficient transit buses and other transportation. The County has also partnered with the City and Solarize the Triangle, a community-based group-purchasing program, to make solar power more affordable and accessible in the Raleigh-Durham-Chapel Hill area. Additional environmental initiatives include the County's high-performance building policy, which requires all new buildings to meet high environmental standards.

## **DEBT INFORMATION**

*Legal Debt Limit.* The County is subject to the Local Government Bond Act of North Carolina, which limits the net bonded general obligation debt the County may have outstanding to 8% of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2025, such statutory limit for the County was \$4,266,357,462. The County has no authorized but unissued general obligation bonds.

*Outstanding General Obligation Debt.* General obligation bonds issued by the County are backed by a pledge of the County's full faith and credit and taxing power.

## GENERAL OBLIGATION BONDS<sup>1</sup>

	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Governmental Bonds	\$287,420,103	\$253,482,741	\$227,590,505	\$222,055,000	\$199,735,000
Business-Type Bonds	--	--	--	--	--
<b>Total Debt Outstanding</b>	<b>\$287,420,103</b>	<b>\$253,482,741</b>	<b>\$227,590,505</b>	<b>\$222,055,000</b>	<b>\$199,735,000</b>

<sup>1</sup> Excludes debt service on the County's short term draw down general obligation bonds, which have since been refunded with long-term general obligation bonds or will be refunded with the County's 2026B Bonds. These included (a) up to \$70,000,000 General Obligation Bond, Series 2019 issued June 2019, (b) up to \$50,000,000 General Obligation Bond, Series 2021 issued August 2021 and (c) up to \$185,000,000 2023 Bond issued August 2023.

## GENERAL OBLIGATION DEBT RATIOS

At June 30	Total Outstanding GO Debt <sup>1</sup>	Assessed Valuation	Total GO Debt to Assessed Valuation	Population	Total GO Debt Per Capita	Assessed Valuation Per Capita <sup>4</sup>
2021	\$287,420,103	\$45,610,306,084	0.63%	321,488 <sup>3</sup>	\$894	\$141,872
2022	253,482,741	47,076,348,233	0.54	327,306 <sup>3</sup>	774	143,830
2023	227,590,505	49,973,473,172	0.46	332,680 <sup>3</sup>	684	148,504
2024	222,055,000	51,324,214,755	0.43	336,892 <sup>3</sup>	659	152,346
2025	199,735,000	53,329,468,270	0.37	343,628 <sup>3</sup>	581	155,195

<sup>1</sup> Excludes debt service on the County's short-term draw down general obligation bonds, which have since been refunded with long-term general obligation bonds. These included (a) up to \$70,000,000 General Obligation Bond, Series 2019 issued on June 12, 2019 and (b) up to \$50,000,000 General Obligation Bond, Series 2021 issued on August 10, 2021.

<sup>2</sup> Estimate from U.S. Census Bureau

<sup>3</sup> Estimates from Durham City/County Planning Department.

<sup>4</sup> Totals may not foot due to rounding.

## GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS AS OF JUNE 30, 2025<sup>1</sup>

Fiscal Year Ending June 30	Principal	Interest	Principal & Interest
2026	\$22,220,000	\$7,614,992	\$29,834,992
2027	20,010,000	6,685,168	20,675,168
2028	16,380,000	5,822,281	22,202,281
2029	16,340,000	5,015,981	21,355,981
2030	16,250,000	4,298,381	20,548,381
2031-2035	62,205,000	13,193,150	75,398,150
2036-2040	39,445,000	4,677,500	44,122,500
2041-2045	6,885,000	550,800	7,435,800
	<b>\$199,735,000</b>	<b>\$47,858,253</b>	<b>\$247,593,253</b>

<sup>1</sup> The amounts shown do not include unamortized original issue bond premium or any outstanding draw down bonds or bond anticipation notes because they have no fixed amortization of principal.

Limited obligation bonds and installment financing contracts are secured by specific assets of the County.

**LIMITED OBLIGATION BONDS AND INSTALLMENT FINANCING CONTRACTS  
DEBT SERVICE REQUIREMENTS AS OF JUNE 30, 2025**

Fiscal Year Ending June 30	Limited Obligation Bonds		Installment Financing Contracts		Total Principal & Interest
	Principal	Interest	Principal	Interest	
2026	\$27,564,000	\$17,276,498	\$370,735	\$29,265	\$45,240,498
2027	27,410,000	16,063,418	387,800	20,700	43,881,918
2028	27,315,000	14,925,375	405,263	11,737	42,657,375
2029	27,175,000	13,798,894	208,123	2,378	41,184,395
2030	26,985,000	12,715,469	-	-	39,700,469
2031-2035	113,245,000	52,618,320	-	-	165,863,320
2036-2040	99,470,000	29,253,274	-	-	128,723,274
2041-2045	53,470,000	8,632,190	-	-	62,102,190
	\$402,535,000	\$152,306,970	\$1,371,921	\$64,080	\$556,277,971

*Other Long-Term Commitments.* Reimbursements for expenditures incurred for improvements to property of the Durham Public School System, Durham Technical Community College and various not-for-profit organizations, are made upon request by such entities. Because the County is not a party to the related contracts, the unexecuted balances of such contracts are considered obligations of the Durham Public School System, Durham Technical Community College, and various not-for-profit organizations. Additional payments, if any, to be made by the County will be from future appropriations.

The County participates in a number of federal and State grant awards programs. The disbursement of funds under these programs is subject to audit in accordance with the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the North Carolina State Single Audit Implementation Act. The amounts, if any, of expenditures which may be disallowed by the granting agencies resulting from such audits cannot be determined at this time, although the County expects they would be immaterial.

See Note E in the Notes to Basic Financial Statements of the County in Appendix D attached hereto for further information on the long-term obligations of the County.

*Derivative Agreements.* The County has previously entered into an interest rate swap agreement related to certain of its debt. See Note A in the Notes to Basic Financial Statements of the County in Appendix D attached hereto.

**DEBT OUTLOOK**

The County maintains a 10-year Capital Improvement Plan (“CIP”), which is fully updated every two years. It is submitted to the Board for review and approval during the budget cycle. The CIP provides for County needs as well as those of its public schools, Durham Technical

Community College and the Museum of Life and Science. The CIP is fully updated every two years. In January 2024, the County published its requested CIP on its website for the fiscal years 2024 through 2033, which totals \$2.2 billion. The nearly \$300 million variance is due to scope changes, project sequencing adjustments and inflation increases. The 2024 requested information captured on the website reflects project requests since the 2022-2031 adopted plan. The website's interactive link provides transparency to both the Board and the public by showing projects under consideration. The Board will deliberate the plan over the next several months, with the goal of adopting the CIP by November 2024. As has been its historical practice, the County plans to utilize short-term financings for both general obligation and limited obligation bonds to provide the initial funds for a substantial portion of these projects with long-term financings following approximately three years thereafter.

In November 2022, County voters approved the issuance of \$550,240,000 general obligation bonds for the Durham Public Schools, Durham Technical Community College and the Museum of Life and Sciences of which \$185,000,000 was issued in the form of a bond anticipation note in August 2023, which will be refunded by the 2026 Bonds. [The County currently expects to enter into a second short-term draw general obligation financing in [July/August] 2026. in the amount of \$185,000,000.]

## TAX INFORMATION

### *General Information.*

	2021	2022	2023	2024	2025
Assessed Valuation					
Assessment Ratio <sup>1</sup>	100%	100%	100%	100%	100%
Real Property	\$38,075,875,096	\$39,132,997,771	\$40,573,912,713	\$41,898,662,716	\$42,978,891,406
Personal Property	4,048,724,118	4,351,409,488	5,015,567,148	5,583,640,062	6,102,598,856
Public Service	630,273,733	670,273,733	677,619,677	522,340,633	564,026,842
Companies <sup>2</sup>					
Registered Vehicles	2,855,433,137	2,921,224,229	3,137,333,083	3,319,571,344	3,683,951,166
Total Assessed Valuation <sup>3</sup>	\$45,610,306,084	\$47,076,348,233	\$49,404,432,621	\$51,324,214,755	\$53,329,468,270
Per Capita Assessed Valuation	\$141,872	\$143,829	\$148,504	\$152,346	\$155,195
Rate per \$100 Levy <sup>4</sup>	.7122	.7222	.7222	.7522	.7987
	\$305,801,999	\$320,125,424	\$336,522,246	\$363,785,007	\$399,153,416

<sup>1</sup> Percentage of appraised value has been established by statute.

<sup>2</sup> Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission.

<sup>3</sup> Calculated using population estimates of the Durham City/County Planning Department.

<sup>4</sup> Includes only direct County property tax levy. Does not include special district taxes and portions of the County subject to municipal taxes.

Note: A revaluation of real property is required by statute at least every eight years. The previous general reappraisal (revaluation) was effective January 1, 2019, which was for taxes levied in fiscal year 2019-20. The current general reappraisal became effective January 1, 2025 for taxes levied in fiscal year 2025-26.

*Tax Collections.*

Fiscal Year Ended June 30	Current Year's Levy Collected	Percentage of Current Year's County-Wide Levy Collected <sup>1</sup>
2021	\$527,954,594	99.46%
2022	559,131,786	99.81
2023	587,363,305	99.52
2024	625,033,707	99.71
2025	689,655,326	99.74

<sup>1</sup> Effective July 1, 1988, the County collects all the County, City of Durham, and Fire Districts taxes levied within the County. Effective July 1, 1995, the County collects Town of Chapel Hill taxes levied within the County. Effective July 1, 2002, the County collects City of Raleigh taxes levied within the County. Effective July 1, 2011, the County collects Town of Morrisville taxes levied within the County.

*Ten Largest Taxpayers for Fiscal Year Ended June 30, 2025.*

Name	Type of Enterprise	Assessed Valuation	Percentage of Assessed Value
Wolfspeed Inc.	Manufacturing	\$787,284,368	1.48%
Eli Lilly & Company	Pharmaceutical		1.23
	Manufacturing	655,027,287	
Merck Sharp & Dohme Corp	Medical Research	524,290,807	0.98
AISIN North Carolina Corporation	Manufacturing	311,475,660	0.58
Duke Energy Carolinas, LLC	Utility	275,892,929	0.52
ARE-NC Region No. 19 Holding, LLC	Property Management	229,052,378	0.43
KBI Biopharma Inc.	Biopharmaceutical		0.43
	Manufacturing	227,406,659	
Biogen US Corporation	Medical Research	189,198,703	0.35
Southpoint Mall LLC	Retail	185,830,435	0.35
EMC Corporation (Dell)	Information Technology	<u>170,202,416</u>	<u>0.32</u>
TOTAL		\$3,555,661,642	6.67%

**2025-2026 BUDGET OUTLOOK**

The County approved a \$1.04 billion budget for fiscal year 2026, which is 7.5% more than the previous year's budget. It includes a 3.5 cent property tax increase with a \$15.9 million increase for Durham Public Schools and a 3-4% pay increase for all of the County's employees. It also funds 44.5 new positions.

The County Budget and Finance staff monitor fiscal and revenue trends throughout the year and provide budget updates to the Board at least quarterly. Based on this review process, budget adjustments occur as needed, with limited allocations made that require funding beyond a

one-time period. One of the major entities funded within the County's budget is DPS. The County allocates funding to the schools every month based on an annual appropriation. DPS updates operating and capital budget expenditures trends during quarterly joint meetings between the Board of Education and Board of County Commissioners.

#### **EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

The County participates in the North Carolina Local Governmental Employees' Retirement System ("*NC LGERS*"), a cost-sharing multiple employer defined benefit pension plan administered by the State. For information concerning the County's participation in various pension plans and its other retirement benefits, see Note H to the County's Audited Financial Statements in Appendix D.

Financial statements and required supplementary information for NC LGERS are included in the Annual Comprehensive Financial Report ("*ACFR*") for the State. Please refer to the State's ACFR for additional information.

#### **OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Under the terms of a County resolution, the County administers a single employer defined benefit Healthcare Benefits Plan. For additional information concerning the County's obligation to provide such health care benefits and information concerning a plan of the County to provide death benefits to certain employees, see Note H in the Notes to Basic Financial Statements of the County in Appendix D attached hereto.

The County's total OPEB liability of \$152,627,727 was measured as of June 30, 2024 and was determined based on an actuarial valuation as of June 30, 2023. A number of actuarial assumptions, including the appropriate discount rate, were made in determining this valuation.

#### **CONTINGENT LIABILITIES**

The County follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or possible to estimate in amount. Though there are actions against the County presently pending, the County Attorney has reviewed and evaluated these, and it is his opinion that these actions, individually and collectively, will not materially affect the ability of the County to meet its financial obligations. Further, there are no actions challenging the validity of the 2026A Bonds.