

**Item Title:** Land & Acquisition for an Adaptive Reuse School Site in the West Raleigh/Cary Area (Second Reading)

**Specific Action Requested:**

**That the Board of Commissioners approves funding of the purchase price together with closing costs in an amount not to exceed \$1,428,589.00 pursuant to N.C.G.S 115C-426.**

**Item Summary:**

On December 1, 2015, the Board of Education accepted the terms and conditions for the purchase of a commercial building (±13,421 SF) located on a 0.87 acre site in the West Raleigh/Cary area in central Wake County for a total price of \$1,425,000.00, subject to approval of funding by the Board of Commissioners.

As part of the Space Needs Analysis and Prioritization (“SNAP”) process, the Transitions program was identified for review. The Transitions program serves 40-50 long term suspended middle school students with disabilities and has been most recently housed in a portion of the modular campus located in northern Wake Forest upon leased property owned by the National Alumni Association of DuBois High School. Few of the students in the program live near the DuBois campus, and the lack of centrality contributes to transportation inefficiencies. As the term of the DuBois lease is set to expire in 2017, consideration has been given to identification of a suitable central location to better serve its constituency and provide stability to the program. A needs assessment was conducted to determine the facility requirements of the program, and a suitable adaptive reuse site was identified.

The proposed acquisition consists of commercial building (±13,421 SF) and lot located on the western side of Buck Jones Road north of its intersection with Walnut Street and south of its intersection with Nottingham Drive, and is owned by Connections Church Cary Inc. There are 63 parking spaces on the property, which amounts to 4.7 spaces per 1,000 SF and is adequate to address the needs of the Transitions program. WCPSS acquired an appraisal for the subject property prepared by Richard C. Kirkland, Jr., MAI, of Kirkland Appraisals LLC. Mr. Kirkland concludes that the market value of the proposed acquisition is \$1,650,000.00, which valuation is \$225,000 in excess of the negotiated purchase price.

The appraiser specifically presumed that the roof of the building didn’t leak, but due diligence investigations have indicated the need for repairs/replacement of a portion of the roof on the one story section of the building at an estimated cost of ±\$50,000. (The roof on the two story section of the building has been recently replaced by the owner and is in good condition.) After accounting for the anticipated roof repair, the appraisal valuation exceeds the sum of the purchase price and roof repair cost by \$175,000.00. The site information obtained in due diligence included a Boundary Survey, Phase I Environmental Site Assessment, Architectural Fit Plans/Feasibility Study and roofing/structural/mechanical inspections.

This site was one of several sites evaluated. Of the sites evaluated, the subject property has the most favorable space configuration, highest parking ratio, most favorable on-site circulation potential and price. The building size adequately supports the Transitions program in its current configuration and has some potential to accommodate future growth that could address and interim need for special education staff training space.

Preliminary up-fit costs have been estimated to be ±\$1.5 million, which includes building up-fit, minor parking lot improvements, furniture, fixtures, equipment and technology infrastructure. However, up-fit designs have not yet been finalized. The site use is tentatively planned to begin with the 2016-2017 school year or as soon thereafter as possible, predicated upon the extent of renovations required and the identification of available renovation funding. Due to the nature of the program, it can be relocated to the new site from its current location as soon as the renovation is complete, and is not restricted to moving by the beginning of the school year.

Funding for up-fit costs are not currently within CIP 2013, and will be considered by the Board of Education for prioritization among other needs for funding from such savings as may be available in CIP 2013 or within funds identified to address SNAP needs in the next capital improvement plan. Funding for site acquisition is from the Land Acquisition component of CIP 2013 (which plan of record has been supplemented with the proceeds from the sale of surplus property on Forestville Road). As the program is being relocated from an existing location, program staffing costs are already included within the current operational budget, although additional utility and janitorial costs are anticipated with acquisition of the additional space.

The Buck Jones site has two public transit services that pass its frontage with stops nearby: TTA Route 301 (Runs between Moore Square to Cary Train Depot), and C-Tran Route 6 (Runs between Cary Train Depot and Plaza West Shopping Center/Raleigh Connection). The Plaza West Shopping Center/Raleigh Connection utilizes GoRaleigh Routes to provide connectivity to Raleigh's Moore Square Transit Facility.

#### **Wake County Staff Comments:**

County staff has been involved in certain aspects of the site selection process and has reviewed the findings. Utilizing the site criteria needed to accommodate the identified program, the Buck Jones Road site meets those criteria at the lowest price available compared to other sites considered. Based on the information presented, County staff supports acquisition of this parcel for the identified program.

#### **Attachments:**

1. Presentation
2. Land Acquisition Tracking