

Item Title: Land Acquisition for an Elementary School Site in the Southern Wake County/Holly Springs Area (E-45) (Second Reading)

Specific Action Requested from the Board of Commissioners:

That the Board of Commissioners approves funding of the purchase price together with closing costs in an amount not to exceed \$1,365,029.00 pursuant to NCGS 115C-426.

Item Summary:

On September 15, 2015, the Board of Education accepted the terms and conditions for the purchase of a 22.048 acre elementary school site in the Southern Wake County/Holly Springs area for a total price of \$1,333,904.00, (\pm 22.048 acres x \$60,500.00 per acre), subject to approval of funding by the Board of Commissioners.

The E-45 site acquisition was considered in the planning of CIP 2013. Due to significant growth in Holly Springs, this site is identified for land acquisition and early design start funding in CIP 2013, and is one of the first elementary schools in priority for construction funding in the next capital improvement program funding sequence to support an opening in 2018. The proposed acquisition consists of a portion of a larger parcel of land located on the southern side of Honeycutt Road west of its intersection with Piney Grove Wilbon Road owned by Honeycutt Road 5701, LLC.

WCPSS acquired an appraisal for the subject property prepared by Neil C. Gustafson, MAI, of Worthy & Wachtel, Inc. Mr. Gustafson concludes that the market value of the land is \$60,000.00 per acre, which amounts to a total value of \$1,322,880.00, (22.048 acres x \$60,000.00 per acre). Given the recognized upward trending market prices in the area of the subject property, the current high demand in the area, and the restrictions of appraisal methodologies for utilization of closed comparable sales, the appraiser has indicated his support for the reasonableness of the negotiated price albeit slightly higher than the appraised value.

This site was one of three sites evaluated in detail. Of the sites evaluated, the subject property has the most favorable topography, size and price of those that accommodate a full elementary school program.

The site information obtained in due diligence includes a Boundary and Exempt Subdivision Survey, Phase I Environmental Site Assessment, Geotechnical Report, and Preliminary Jurisdictional Wetland and Stream Assessment, and Town of Holly Springs Cape Fear River Riparian Buffer Evaluation.

WCPSS has worked with the Town of Holly Springs, Wake County and NCDOT staffs to obtain information upon which WPCSS consultants have based concept plans and a preliminary site grading plan. Due to a rise in construction costs, WCPSS typically allocates \$3.910 million dollars for site development costs for new elementary schools.

Consultants have estimated the site development costs to be approximately \$3.824 million dollars.

Land Acquisition Comparison						
	Appraised Value	Sales Price	Sales Price Over/(Under) Appraised Value	Appraised Value (Per Acre)	Sales Price (Per Acre)	Sales Price Over/(Under) Appraised Value Per Acre
E-45 Site	\$1,322,880	\$1,333,904	\$11,024	\$60,000	\$60,500	\$500
Recently Acquired Sites in the Area	Date of Acquisition	Acreage	Total Sales Price	Appraised Value (Per Acre)	Sales Price (Per Acre)	Sales Price Over/(Under) Appraised Value
E-43 Oakview ES	Sep-14	23.55	\$1,517,360	\$52,146	\$64,431	\$12,285
Herbert Akins Rd ES & MS	Jan-08	44.02	\$2,201,000	\$55,793	\$50,000	(\$5,793)

WCPSS typically allocates \$1.4 million dollars for public infrastructure costs for new elementary schools. Sewer service is located north of the subject property. An on-site pump station will be required to pump effluent from the site approximately 3300 linear feet to a gravity line that leads to an existing pump station located off Piney Grove Wilbon Road. Collaboration with the Town of Holly Springs is underway to identify cost-sharing opportunities with the town and other developers pursuing residential projects in the same drainage basin. Water service is located within the existing right of way of Piney Grove Wilbon Road approximately 530 linear feet from the subject site, and required extension of approximately 1,500 linear feet from the existing line to the western boundary of the subject property is anticipated. Although water service is relatively close to the site, WCPSS staff anticipates that public infrastructure costs will be above typical ranges due to the proximity of sewer to the site. Cost-sharing opportunities as discussed with Town staff may serve to reduce public infrastructure costs to typical ranges.

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 in the search ring area, the Honeycutt 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 E-45 site.

Attachments:

1. E-45 Precis and Contract
2. Checklist
3. Appraisal
4. Survey
5. Geotechnical Report
6. Streams and Wetlands Delineation
7. Phase 1 Environmental Site Assessment
8. On Site Development Cost Estimate
9. Power Point Presentation
10. Land Acquisition Tracking