

Item Title: WCPSS Request for the Sale of Surplus Property Adjacent to Rolesville High School

Specific Action Requested:

That the Board of Commissioners approves or declines the Wake County Board of Education's offer of an identified surplus property tract at fair market value pursuant to N.C.G.S. §115C-518.

Item Summary:

Purpose: State law requires that, when a Board of Education has surplus property, the County Board of Commissioners must be given the first opportunity to obtain the property at fair market value (N.C.G.S. §115C-518). The Wake County Board of Education has declared a parcel in Northern Wake County as surplus, prompting this action item for the Board of Commissioners.

Background: The Wake County Board of Education ("WCBOE") acquired a 143 acre tract in 2010 at a price of \$3,820,503 for development and location of Rolesville High School ("RHS") (H-6) and future elementary school (E-42). As the acquired tract acreage substantially exceeded the area needed for the intended schools' development, the Board of Education subdivided a 21.54 acre parcel (the "Subject Property") at the northwestern corner of the site from the original tract to be sold as surplus property in the future.

The Subject Property is located at 901 E. Young Street, lies in the southeastern quadrant of the intersection of Quarry Road and East Young Street. The School Board declared this 21.54 acre parcel as surplus property and executed a Resolution and Order of Sale on September 6, 2011. The parcel has been available for purchase since then. A private party has offered the School Board \$3.5 million to acquire the property. County staff, after evaluating potential uses, recommend the Board of Commissioners decline the opportunity to purchase the parcel and allow the School Board to sell to the private party.

Strategic Plan: This action supports routine County operations.

Fiscal Impact: Should the Board of Commissioners choose to acquire the Subject Property at fair market value, the fiscal impact will include the price of the Subject Property and any related costs of the acquisition process and closing.

Should the Board of Commissioners decline to acquire the Subject Property at fair market value, the WCBOE can proceed with

disposition of the surplus property pursuant to the statutory process. The proceeds of any sale will be applied to reduce the County's bonded indebtedness for schools or for future land acquisitions for schools.

Additional Information:

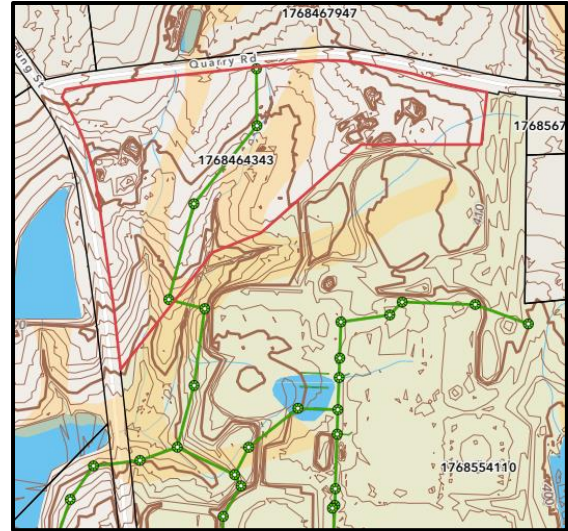
During the acquisition process the Board of Commissioners recommended that the northwestern portion of the site along the road frontages be rezoned for commercial use and held for future surplus property sale. Accordingly, upon due consideration the WCBOE collaborated with the Town of Rolesville (the "Town") to subdivide and rezone a 21.54-acre tract (the "Subject Property") to a General Commercial – Conditional Zoning ("GC-CZ") classification. The Town's GC-CZ zoning classification is considered a higher and better use classification than the Residential Medium Density – Condition Zoning applied to the balance of the RHS site and offers opportunities for a broader range of development uses pursuant to the Town's Land Development Ordinance. The rezoning was intended to add value to the Subject Property and support recoupment of a substantial portion of the original RHS site purchase price upon its future disposition.

The size, shape, topography, and environmental features (streams, wetlands and rock) of the Subject Property significantly limit useable acreage which prohibits cost effective school use. As the remainder of the RHS site is of sufficient size to accommodate RHS together with a future elementary school site thereon, the Subject Property is unnecessary or undesirable for public school purposes as contemplated in N.C.G.S. 115C-518. The Board of Education declared the Subject Property as surplus property and execution a Resolution and Order of Sale on September 6, 2011. Since that time the Town has experienced growth and development interest in the area which has positively impacted land values. The Wake County Tax Value of the Subject Property is \$5,358,991. An offer to purchase the Subject Property was negotiated and received at a purchase price of \$3,500,000. An appraisal of the property was performed by State-Certified General Appraiser E. Cody Jetton, MAI, CRE, of Mearstone Group, to substantiate the fair market value of the Surplus Property which resulted in a value conclusion of \$3,640,000. If sold at fair market value as established by the Offer, sale of the 21.54-acre Subject Property will successfully recoup 91.6% of the purchase price of the original 143.263 acre tract.

School staff shared with County staff information about this property for consideration and evaluation per the County's affordable housing policy. On October 15, 2024, the Board of Education approved the terms and conditions of a proposed contract (the "Offer") to sell the Subject Property at a purchase price of Three Million Five Hundred Thousand Dollars (\$3,500,000), subject to the Board of Commissioner's first right to obtain the property as described in N.C.G.S. §115C-518, and to completion of publication of notice and statutory upset bid process as proscribed in NCGS §160A-271 prior to execution of the contract. Pursuant to N.C.G.S. §115C-518, the Board of Education is offering this property to the Board of Commissioners for purchase at fair market value as determined by the Offer and supported by the appraisal. Should the County decline interest in acquiring the Surplus Property, Board of Education's acquisition process will continue forward with

commencement the publication of notice and statutory upset bid process as proscribed in NCGS §160A-271.

GIS Site Maps:



Wake County Staff Comments:

Notification has been provided to appropriate County Departments with regards to the availability of the Surplus Property. County staff reviewed and discussed the information provided for this property and with the Town staff. After those discussions, Housing Affordability and Community Revitalization staff determined a better return on investment of housing dollars could be achieved by collaborating with the Town to explore redevelopment opportunities for Town-owned property rather than pursue affordable housing initiatives for this site.

Attachments:

1. Presentation
2. Board of Education Precis
3. Appraisal