

Item Title: Land Acquisition for a High School Site in the Southwestern Wake County - Apex/Holly Springs Area (H-12) - First Reading

Specific Action Requested from the Board of Commissioners:

That the Board of Commissioners receives this information from the Board of Education, so that upon answering of any outstanding questions this item will be placed on a future Agenda for consideration of approval of funding of the purchase price together with closing costs in an amount not to exceed \$4,273,332.00 pursuant to N.C.G.S 115C-426.

Item Summary:

On April 5, 2016, the Board of Education accepted the terms and conditions for the purchase of a 66.48 acre high school site in the southwestern Wake County/Apex/Holly Springs area for a total price of \$4,252,720, (\pm 66.48 acres x \$64,000.00 per acre), subject to approval of funding by the Board of Commissioners.

The H-12 site acquisition was considered in the planning of CIP 2013. Due to significant growth in Southwestern Wake County Apex/Holly Springs area, this site is identified for land acquisition funding in CIP 2013. The proposed site consists of a parcel of land located west of Stephenson Road (east of Smith Road, north of Sunset Lake Road) located within Apex's ETJ that is owned by Merion Investment Properties, 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 parcel of land is \$4,320,000, which amounts to approximately \$65,000.00 per acre.

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

The site information obtained in due diligence includes a Boundary Survey, Phase I Environmental Site Assessment, Geotechnical Report, Preliminary Jurisdictional Wetland and Stream Assessment, DWR Buffer Determination Letter, and existing utilities maps including sanitary sewer system and water line locations.

WCPSS has worked with the Town of Apex, 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 and based upon recent high school projects, WCPSS is now beginning to allocate \$18,284,087 as a baseline for new high schools site development costs. School staff developed this baseline for the future bond program using actual site numbers for H-8 and H-7.

The school site design is now a major component of all project costs. The increase in site development cost is directly related to expanded requirements for storm water ponds, bio retention ponds and dry pond requirements, as well as the DOT and individual town planning board requirements regarding regulations for parent drop off and stacking lanes. Site development cost increases are also directly related to the limited availability of sites of sufficient size to accommodate a school program, with those available being increasingly fraught with topographic challenges that require significant grading and retaining walls, and pose streams and wetlands challenges.

Consultants have estimated the site development costs on the subject site to be \$23,923,458 for a 2,200 student high school.

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
H-12 Site	\$4,320,000	\$4,252,720	(\$67,280)	\$65,000	\$64,000	(\$1,000)
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 Per Acre
E-45	Mar-16	22.05	\$1,333,904	\$60,000	\$65,000	\$5,000
E-43 Oakview ES	Sep-14	23.55	\$1,517,360	\$52,146	\$64,431	\$12,285

Based upon recent high school projects, WCPSS typically allocates \$8,262,718 for public infrastructure costs for new high schools. Water and sewer service is available to the site but requires service extensions. Water service is located within the existing right of way of Stephenson Road and can be extended within the existing rights of way approximately 3,600 linear feet to the subject site at a cost of approximately \$234,000. A Town of Apex sewer pump station plant exists near the site and capacity in the existing system can be available to the subject site. The installation of approximately 4,100 linear feet of 16" gravity sewer line is anticipated at a cost of approximately \$184,500, with potential partial reimbursement for the oversized line through and agreement with Town of Apex. Alternatively, should capacity at the nearest pump station be unavailable at the time the project begins, the site could be sewer with an on-site pump station and extension of a force main line of ±3,800-4,500 linear feet. At the time of development, comparisons of then-existing alternatives will be made for cost effective provision of water and sewer services the site.

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 subject property 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 H-12 site.

Attachments:

1. PowerPoint Presentation
2. H-12 Precis
3. H-12 Contract
4. WCPSS Land Appropriation
5. Appraisal
6. Survey
7. Geotechnical Report
8. Streams and Wetlands Delineation
9. Phase 1 Environmental Site Assessment
10. On Site Development Cost Estimate