

Presentation To:

# Wake County Board of Commissioners

Request for Approval and Funding of  
Board of Education Acquisition of a  
Capital Boulevard Assemblage  
(1816, 1818 & 1820 Capital Blvd. & 121 Fenton Street)

(First Reading)

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Wake County Public School System  
April 3, 2017

# **Central Wake County**

SNAP Educational Facility Acquisition  
Community Responsive High School: H-15

# Terms:

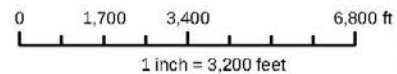
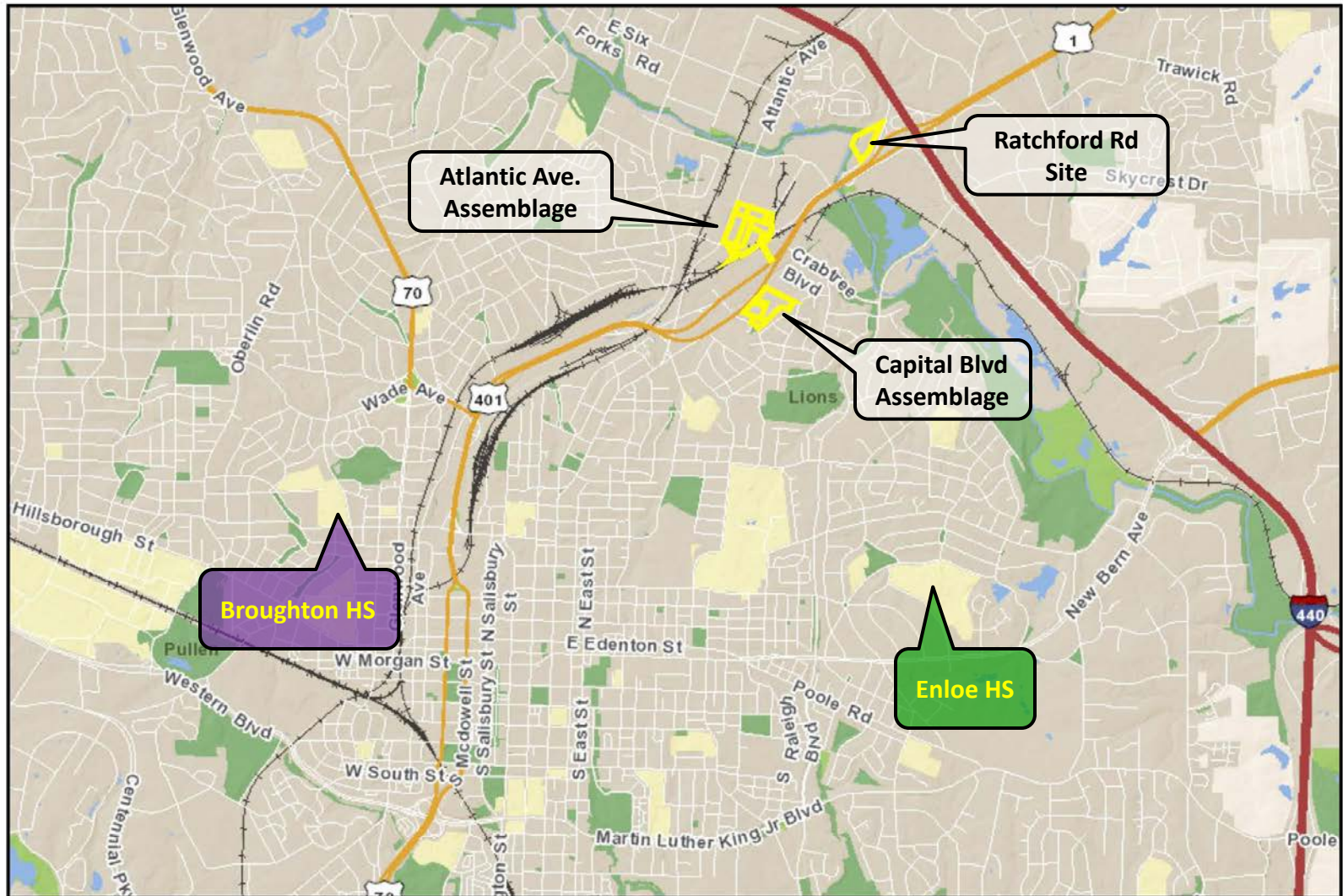
**SNAP** – Space Needs Analysis and Prioritization – evaluative process through which educational needs (and educational support needs) are identified, vetted and prioritized for funding (other than those needs effectively met by typical prototypical schools needed to address growth).

**Community Responsive** – Flexible approach to consideration of attributes influenced by area/community need.

**Innovative** – Enhance academic standards with innovative approaches to learning that maximize student potential, and meet the Strategic Plan goal of a 95% graduation rate by 2020.

**Comprehensive** – Students have access to requisite courses necessary for graduation and entry to a UNC system college or university.

# Top Potential School Sites



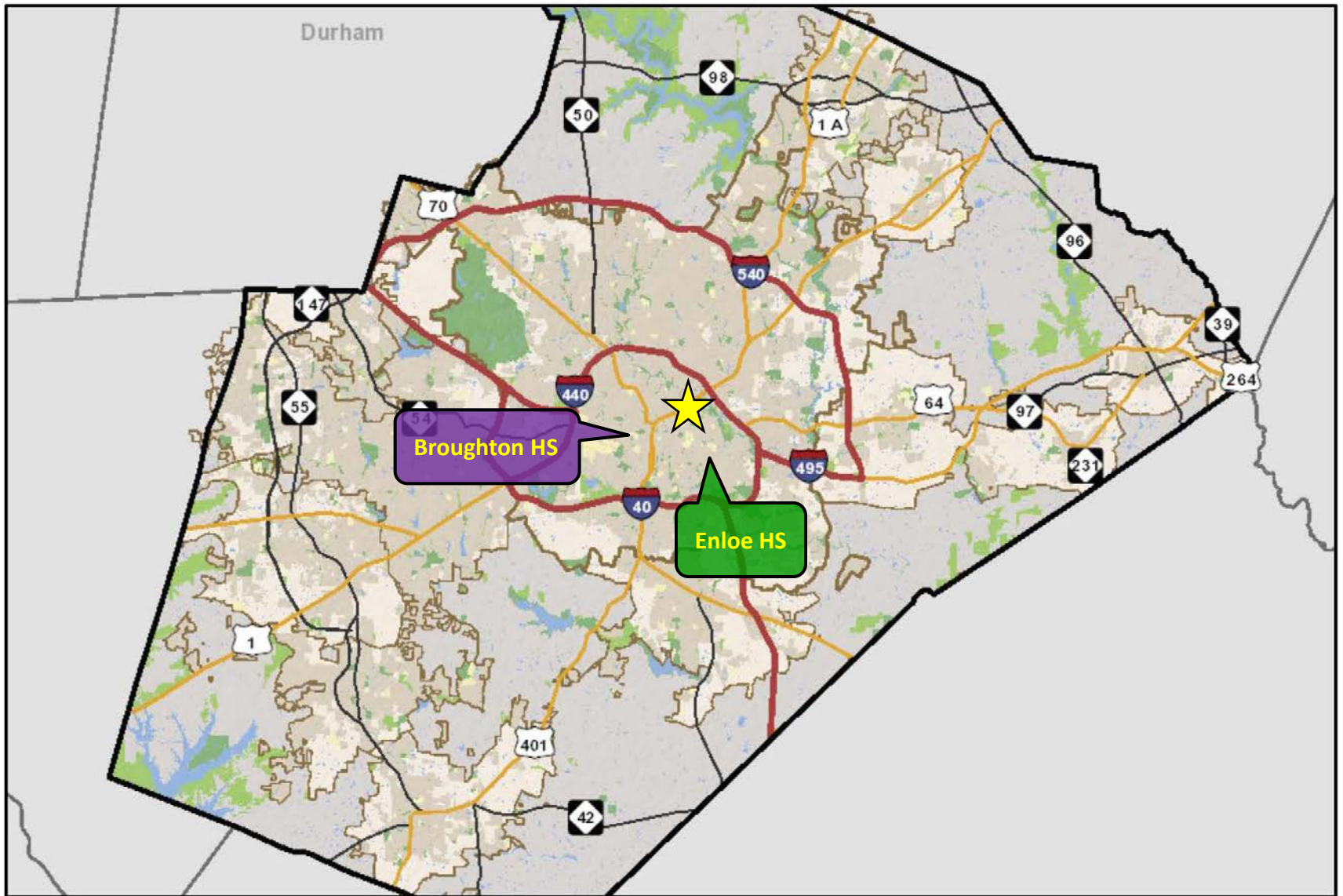
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# Top Potential Sites Comparison

<b>Potential Top Site Locations</b>	<b>Atlantic Ave. Assemblage</b>	<b>Ratchford Road Site</b>	<b>Capital Blvd Assemblage</b>
<b>Location within target area</b>	North-Central ITB	North-Central ITB	North-Central ITB
<b>Owners</b>	Peden Family LLC, Peden Family LLC 2 & Wake County	Raleigh Property Group LLC	Murray Investment Company No.2 LLC
<b>Site Acreage</b>	18.59	5.94	12.14
<b>Existing Building Heated Sq.Ft.</b>	173,616	46,722	72,226
<b>Wake County Tax Value</b>	\$6,421,988	\$3,625,717	\$5,931,056
<b>Anticipated Price</b>	\$10,000,000 (sold 1/19/17)	\$5,650,000	\$6,351,695
<b>Zoning</b>	CS-7-PL	IND-1	IND-2 & NB/CX-7
<b>Price at or below market value</b>	No	No	Within ±5%
<b>Subdivision/Recombination Needed</b>	Yes	No	Yes
<b>Relative Off-Site Road Improvement Costs</b>	Typical	Typical	Less Than Typical
<b>On-site environmental matters</b>	Yes	Yes	Yes
<b>Sufficient to Support Community Responsive HS Program</b>	Yes	No	Yes





★ Capital Boulevard Assemblage Location

# Current and Projected Crowding in Schools In/Near Central Wake Innovative High School Area

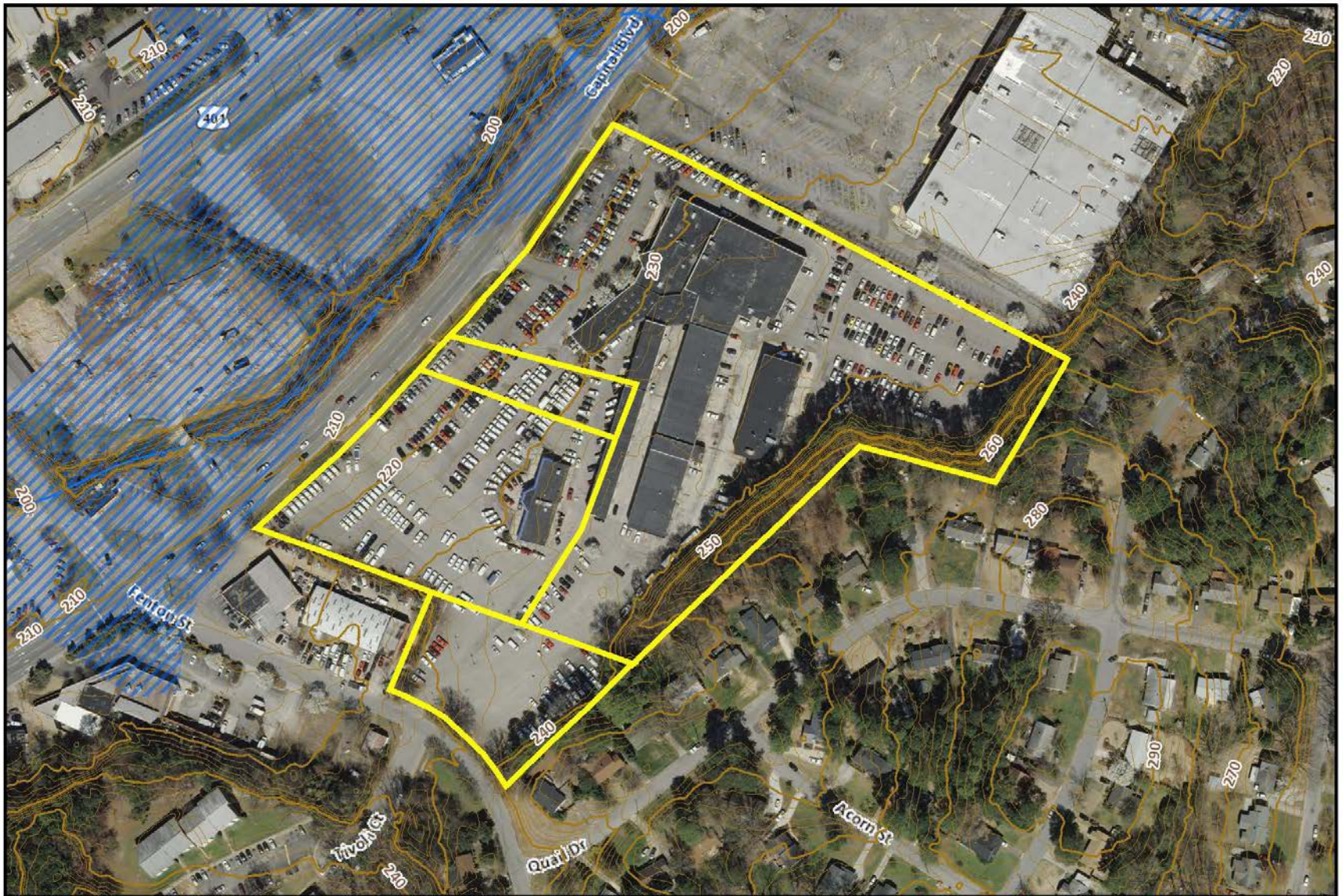
	Proximity	Crowding			Graduation Rates	
Central High Schools	Linear Distance to New Site (mi.)	Planned % Crowding: 2016-2017	Number of Temporary Classrooms	Planned % Crowding: 2017-2018	2015 Graduation Rates	2016 Graduation rates
Enloe	1.25	101.0%	0	111.0%	81.9	89.0
Broughton	2.00	118.5%	12	124.3%	85.3	88.4
Southeast Raleigh	3.80	101.0%	13	103.1%	82.7	85.3
Sanderson	4.18	101.2%	12	103.2%	81.4	89.1
Millbrook	4.28	113.0%	17	114.7%	90.1	88.9
Athens Drive	5.65	96.0%	23	106.7%	83.0	84.8



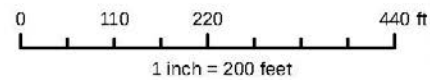
# PROXIMITY TO NEAREST HIGH SCHOOLS







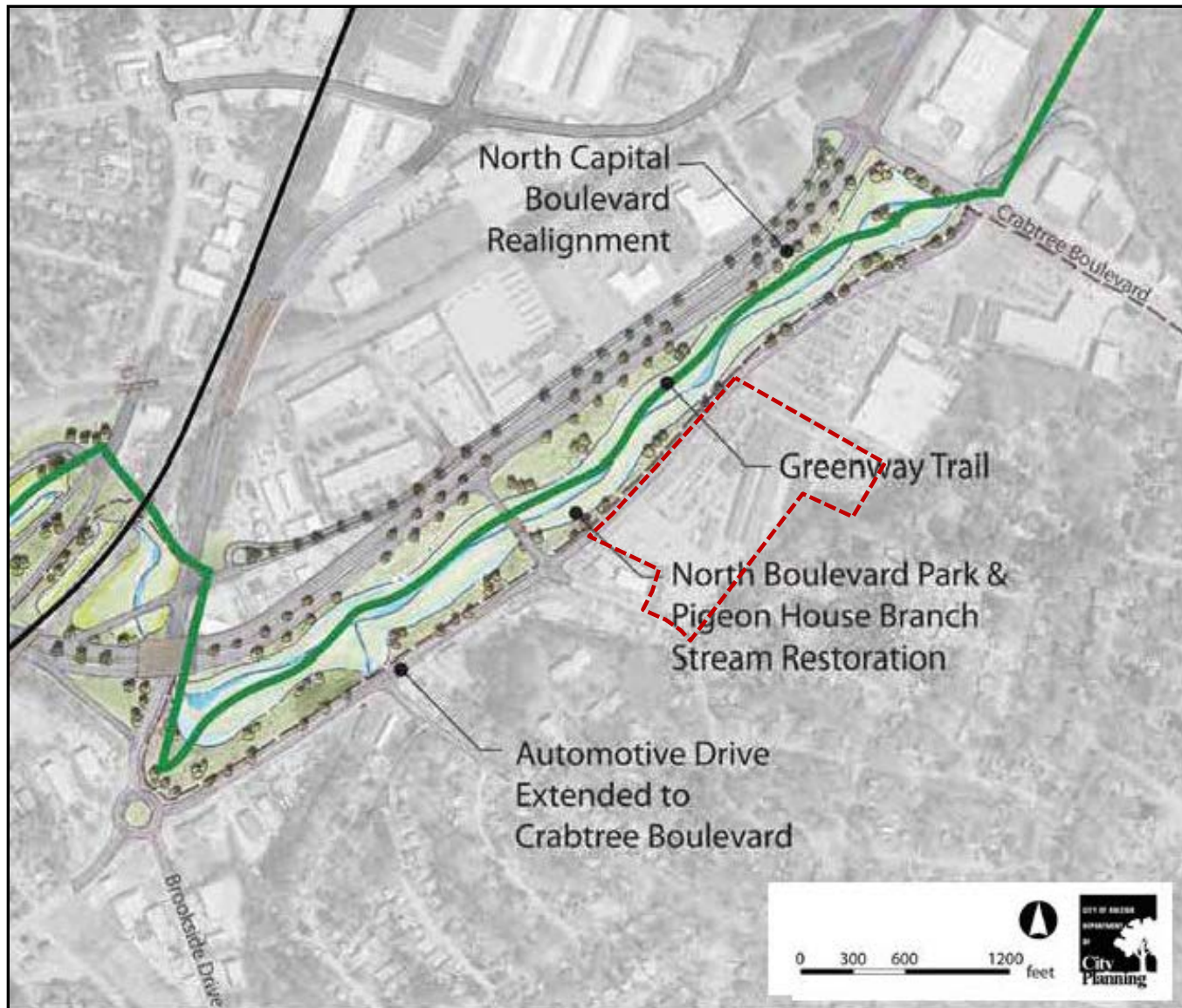
## Capital Boulevard Assemblage



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# City of Raleigh Capital Blvd. Corridor Study: North Capital Boulevard Realignment and Park





# Concept Plan: Adaptive Reuse





# Concept Plan: New Building





# GO RALEIGH PUBLIC TRANSPORTATION ACCESS



# Contract Terms & Information

- **Purpose:** To accommodate a SNAP-identified educational need for an innovative comprehensive high school to address crowding in downtown high schools, primarily Enloe and Broughton
- **Seller:** Murray Investment Company No. 2 LLC. The Murray family first acquired the site in 1968.
- **Location.** Central Wake County inside the beltline on the southern side of Capital Boulevard east of its intersection with Fenton Street
- **Asset Description.** ±72,226 sq. ft. one story commercial buildings located on 12.14 acres.
- **Recent Use.** Car dealership, currently leased to Capital Chevrolet, which is expected to continue for ± 2 years and generate rent revenue estimated at an average of \$46,520/month.
- **Negotiated Purchase Price:** \$6,351,695.
- **Appraised Value:** \$6,230,000.

# Price Influencers: Remediation Costs & Income

Negotiated Purchase Price (w/estimated closing costs)	\$6,396,390
+ Estimated Environmental Remediation/Improvements Costs	\$ 570,000
- Estimated Rental Income to WCPSS Capital Plan*	<u>(\$1,000,000)</u>
= Net Effective Purchase Price	\$5,966,390

Note: \*Board of Education will return to Board of Commissioners for allocation of rental income accrued for application to environmental remediation and improvements costs, and for application of the remaining balance to costs of project construction.

# Land Acquisition Comparison

	Contract Date	Acreage	Building Area (sq. ft.)	Net Effective Sales Price	Appraised Value	Sales Price Over/(Under) Appraised Value
<b>Capital Boulevard</b> (12.14 acres)	11/2016	12.14	72,266	\$5,966,390	\$6,230,000	(\$263,610)

Adaptive Reuse Sites Acquired	Date of Acquisition	Acreage	Building Area (sq. ft.)	Total Sales Price	Appraised Value	Sales Price Over/(Under) Appraised Value
<b>Infinity:</b> <b>Carl Sandburg Ct</b>	6/2014	3.00	13,891	\$2,075,000	\$2,140,000	(\$186,695)
<b>Transitions:</b> <b>Buck Jones Road</b>	6/2014	0.87	13,421	\$1,425,000	\$1,650,000	(\$225,000)
<b>Laurel Park ES</b>	12/2006	17.91	80,000	\$5,000,000	N/A	N/A



**End of 1<sup>st</sup> Reading presentation.**

Questions?