

Item Title: Land Acquisition for an Elementary School Site in the Southern Wake County/Fuquay-Varina Area (E-44) (Second Reading)

Specific Action Requested:

That the Board of Commissioners approve funding of the purchase price together with closing costs in an amount not to exceed \$1,370,703.00 pursuant to NCGS 115C-426.

Item Summary:

On December 1, 2015, the Board of Education accepted the terms and conditions for the purchase of a 21.00 acre elementary school site in the Southern Wake County/Fuquay-Varina area for a total price of \$1,365,000.00, (\pm 21.00 acres x \$65,000.00 per acre), subject to approval of funding by the Board of Commissioners.

The E-44 site acquisition was first considered in the planning of CIP 2013. Due to significant growth in Fuquay-Varina, this site was initially identified for land acquisition and early design start funding in CIP 2013, to support an elementary school opening in 2018. With the update of the seven year capital plan, the site construction has been delayed but remains necessary for a land bank site. The proposed assemblage acquisition consists of a portion of a larger parcel of land located on the southern side of Hilltop Needmore Road east of its intersection with Johnson Pond Road owned by Crooked Creek Golf Land, LLC, and a small parcel of land located on the southern side of Hilltop Needmore Road on the east of Brushy Meadows Drive and east of its intersection with Johnson Pond Road owned by CC Partners, Inc.

WCPSS acquired an appraisal for the subject properties prepared by Neil C. Gustafson, MAI, of Worthy & Wachtel, Inc. Mr. Gustafson concludes that the market value of the large parcel of land is \$60,000.00 per acre and the market value of the small parcel is \$55,000 or \$75,000 per acres, which amounts to a total value of \$1,315,000.00, (21.00 acres x \$60,000.00 per acre + \$55,000). 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 Recombination Survey, Phase I Environmental Site Assessment, Geotechnical Report, and a Preliminary Jurisdictional Wetland and Stream Assessment.

WCPSS has worked with the Town of Fuquay-Varina, 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-44 Site	\$1,315,000	\$1,365,000	\$50,000	\$62,619	\$65,000	\$2,381
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-45 Buckhorn Creek	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
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. Water and sewer service is available to the site. Water service is located within the existing right of way at the intersection of Lake Wheeler Road and Hilltop Needmore Road approximately 1,500 linear feet from the subject site. Required extension of approximately 1,500 linear feet from the existing line to the eastern boundary of the subject property is anticipated. An on-site sewer plant exists on the parent tract and capacity in the existing system will be available to the subject site. The installation of approximately 5,000 linear feet of force main is anticipated. There is a good chance that 2,000 linear feet of existing line in ground may be able to be utilized as force main which could save ±\$32, 000 in potential costs. The Offer to Purchase and Contract includes a condition that Board and Seller share the cost, on a 50%-50% basis, of installing the force main, extending public water to the subject property, and the portion of a road to be installed along the eastern side of the subject property that extends southward from Hilltop Needmore Road at its intersection with Shady Greens Drive to the southeastern corner of the subject property.

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 Hilltop Needmore Road site meets those criteria at the lowest price available compared to other sites considered and County staff supports consideration of the purchase.

On November 6, 2017, the Board of Commissioners heard a presentation from County staff related to the potential acquisition of Crook Creek Golf Course, in the same vicinity of the proposed school site. The County's consideration to purchase is contingent upon certain conditions being successfully satisfied, including removal of restrictive covenants. The WCPSS site to be acquired will be included in the amendment to remove the covenants being considered by the Crooked Creek Homeowners Association. The vote is tentatively scheduled for December 19, 2017.

Attachments:

1. PowerPoint Presentation
2. Contract
3. Survey