

**Item Title:** Land Acquisition for an Elementary School Site and Land Bank Middle School site in the Southern Wake County/Fuquay-Varina Area (E-49/M-XX) (Second Reading)

**Specific Action Requested:**

**That the Board of Commissioners approves funding of the purchase price together with closing costs in an amount not to exceed \$2,956,630.00 pursuant to NCGS 115C-426.**

**Item Summary:**

On September 9, 2017, the Board of Education accepted the terms and conditions for the purchase of a ± 60.999 acre elementary school site and a future middle school land bank site in the Southern Wake County/Fuquay-Varina area for a total price of \$2,729,290, (58.070 usable acres x \$47,000.00 per usable acre), subject to approval of funding by the Board of Commissioners.

The E-49 school site acquisition need has been identified in the southern Fuquay-Varina area site. Given the steady growth in the Fuquay-Varina area, current utilization levels in area schools, the distance to the existing and planned middle schools, and the potential for development efficiencies, the need for acquisition of an elementary school and a land bank middle school site in the same target area is supported. The proposed acquisition consists of a parcel of land located on the eastern side of South Main Street north of its intersection with Bowling Road owned by The Adcock Trust Agreement dated August 11, 1998.

This site was one of four sites evaluated in detail. Of the sites evaluated, the subject property has the most favorable topography, size and price of those available sites with willing sellers.

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

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 \$45,000.00 per acre, which amounts to a total value of \$2,800,000.00 (rounded), (±62.41 acres x \$45,000.00 per acre). When the appraised value is adjusted to account for the actual surveyed site acreage of 60.99 acres, when calculated at the appraised value per acre the fair market value of the subject property is \$2,744,550.

WCPSS has worked with the Town of Fuquay-Varina, Wake County and NCDOT staffs to obtain information upon which WCPSS consultants have based concept plans and a preliminary site grading plan. Due to a rise in construction costs, WCPSS typically allocates \$3.91 million dollars for site development costs for new elementary schools, and

\$5.0 million dollars for site development costs for new middle schools. Consultants have estimated the combined site development costs to be approximately \$4.51 million dollars.

WCPSS typically allocates \$1.4 million dollars for public infrastructure costs for new elementary schools. A sewer easement crosses the subject property, with public water and sewer service available at the site. Preliminary concept plans indicate that on-site circulation driveways will be necessary due to the location and configuration of the site. Road improvements near the site frontages on Bowling Road and Main Street to accommodate turn lanes and safe vehicular and pedestrian access to the site from adjacent State-maintained roads will likely be considered for requirement by the Town of Fuquay-Varina and the North Carolina Department of Transportation at such time as a school construction project is undertaken and a site plan developed.

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-49 Site	\$2,744,550	\$2,729,290	(\$70,710)	\$45,000	\$44,743	(\$257)
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-43 Oakview ES	Sep-14	23.55	\$1,517,360	\$52,146	\$64,431	\$12,285
E-45 Buckhorn Creek	Mar-16	22.048	\$1,333,904	\$60,000	\$65,000	\$5,000
E-44	Jan-18	21.0	\$1,685,000	\$62,619	\$65,000	\$2,381

#### **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 Bowling 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-49 site.

#### **Attachments:**

1. PowerPoint Presentation from First Reading
2. E-49 Precis and Contract
3. Appraisal
4. Survey