

Item Title: Proposal to Purchase the Former Crooked Creek Golf Course

Specific Action Requested:
That the Board of Commissioners:

- 1. Temporarily appropriates and transfers in FY2019, effective July 1, 2018, \$4,000,000 from available fund balance in the County Debt Service Fund to the County Capital Parks element for purchase of former Crooked Creek golf course;**
- 2. Authorizes an Intent to Reimburse Declaration such that the County will utilize a future debt issuance intended to serve as the permanent appropriation source of funding for the Crooked Creek golf course land acquisition;**
- 3. Appropriates in FY2019, effective July 1, 2018, \$553,000 from County Capital Uncommitted Funds for facilities and planning costs;**
- 4. Authorizes the County Manager to execute an agreement to purchase the former Crooked Creek golf course from The Conservation Fund, subject to terms and conditions acceptable to the County Attorney; and**
- 5. Authorizes staff to develop a master plan for the Property and to keep the Property closed to the public until future uses are determined.**

Item Summary:

Purpose: The Board of Commissioners must approve all land acquisitions and appropriate all funds.

Background: At the November 6, 2017 meeting, the Board of Commissioners voted 4-3 to consider the acquisition of a portion of the former Crooked Creek Golf Course subject to eleven conditions and funding options to be presented to the Board at a future date. The majority of the eleven conditions have been met. The Conservation Fund acquired 143 acres of the former golf course ("the Property") on February 28, 2018 and is requesting that the County purchase the property. In a work session on June 11, 2018, staff provided the Board an update on the status of the identified conditions.

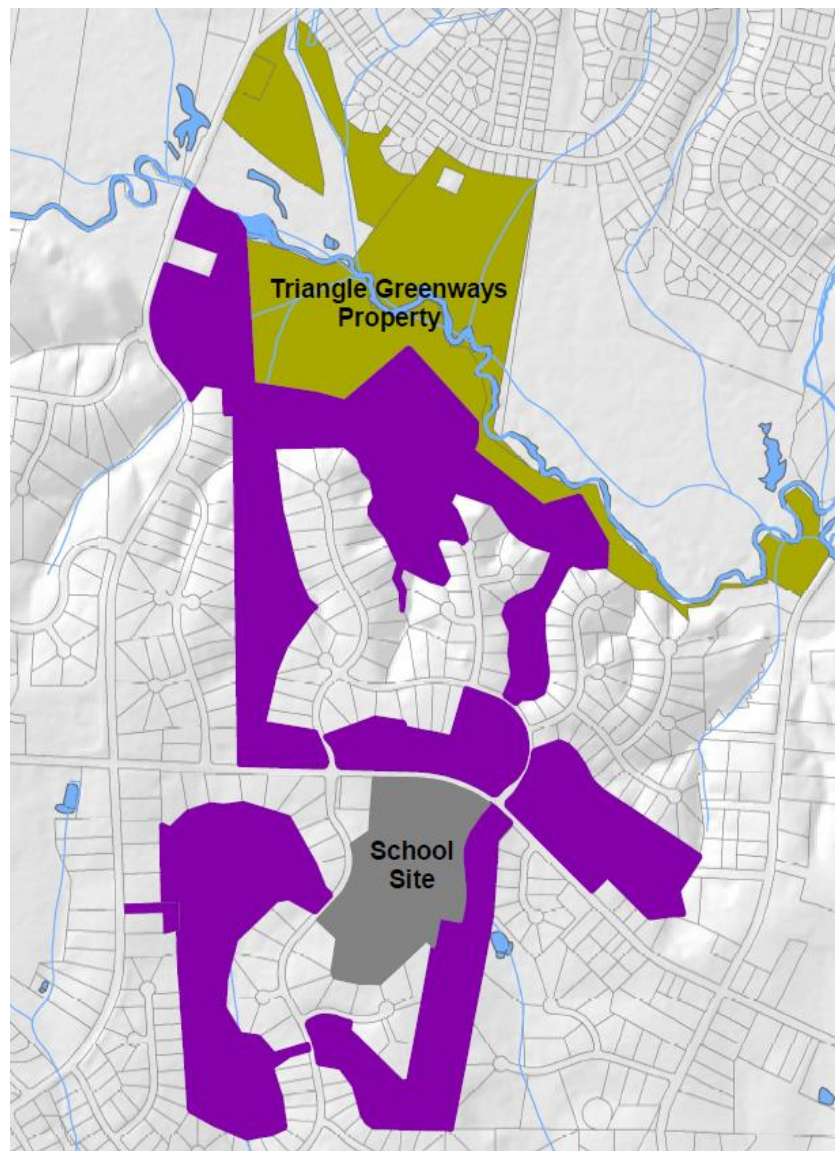
Board Goal: This item complements the Board of Commissioners' goal to establish a deliberate and realistic approach to address growth and mobility while preserving our environment and healthy communities.

Fiscal Impact: At July 1, 2018, available fund balance from the County's Debt Service Fund will serve as the temporary source of funding for purchase of former Crooked Creek golf course. A future LOBs issuance later in fiscal year 2019 will serve as the permanent source of funding, allowing for full repayment to the County for its initial use of fund balance in the Debt Service Fund. The County's debt and

capital model has been updated to include the future LOBs transaction; fund balance and debt policy guidelines and thresholds remain within desired parameters sufficient to protect the County's AAA bond ratings. The County will appropriate \$553,000 from County Capital Uncommitted Funds for facilities, planning and operations costs, in FY19.

Additional Information:

The former Crooked Creek Golf Course is located off Hilltop Needmore Road, west of 401 and north of Fuquay-Varina within the Crooked Creek Subdivision. The former golf course is 164 acres (property in purple) and closed in 2015.

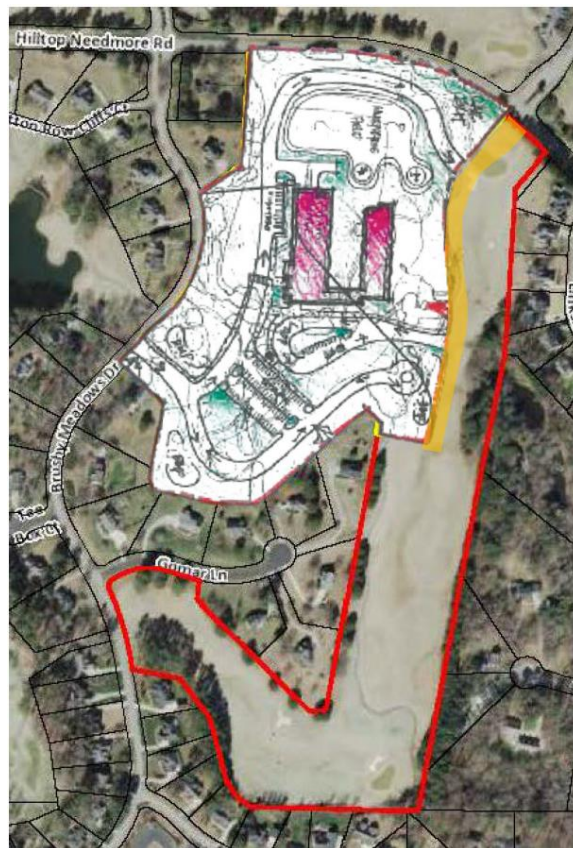


At the November 6, 2017 meeting, the Board of Commissioners voted 4-3 to move forward with negotiating a purchase agreement to acquire 143 acres of the former Crooked Creek golf course for which The Conservation Fund had been under a contract to purchase dated February 8, 2017, subject to the conditions in The Conservation Fund contract and 11 additional conditions. The Board also requested the identification of

funding options for the acquisition, development and operation of the Property to be presented to the Board at a future date.

Land Purchase from The Conservation Fund

On February 28, 2018, The Conservation Fund purchased 10 of the former Crooked Creek golf course tracts for \$3,950,000 (approx. 143 acres); the 1 excluded parcel comprised of approximately 21 acres ("Excluded Parcel") is located south of Hilltop Needmore Road and has been identified as a future elementary school site for which the Wake County Board of Education (WCBOE) is under contract and has been appropriated funds to purchase. WCBOE has not yet purchased the Excluded Parcel. As part of The Conservation Fund closing in February 2018, Crooked Creek Golf Land, LLC (owner of the Excluded Parcel) reserved easement rights to support development of the Excluded Parcel over the Property now owned by The Conservation Fund. The stated easement reservations are for water/sewer extensions as well as a roadway extension for Shady Green Drive. If the WCBOE does not purchase the Excluded Parcel, staff recommends, prior to closing, narrowing the scope of said easement rights reserved, or the release of any rights which may interfere with the County's development and use of the Property.



Status of Conditions for Purchase

At the Board of Commissioners work session on June 11, 2018 it was discussed that the conditions have been largely satisfied with the exception of Condition 8, which can be settled prior to closing, Condition 10 which requires Board action at the June 18, 2018 meeting and Condition 11 which can be addressed a future date when the County considers the construction of a greenway along Middle Creek.

Conditions	Status	Comments
1. Lawsuit (<i>Friends of Crooked Creek, LLC v. CC Partners, Inc.</i>) must be dismissed with prejudice or finality of appeal with no material effect on the use of the property for any governmental purpose	SATISFIED	
2. Termination of the restrictive covenants as to this property (golf course)	SATISFIED	
3. County must be approved as transferee of the conservation easement and receive pre-clearance for any planned development/use of the property by the US Army Corp of Engineers	SATISFIED	
4. Removal of all encroachments including residential lot encroachments on the golf course, cart path encroachments on residential lots and any others identified by survey	SATISFIED	
5. Termination of all leaseholds	SATISFIED	
6. Preliminary approval of any utility connections/extensions or systems from the Town, Aqua NC or the North Carolina Department of Environmental Quality	SATISFIED	
7. Satisfactory environmental assessments including: i. Bury pits locations are identified and remediated to the satisfaction of a licensed engineer II. High Hazard Dam Emergency Action Plan and dam must be in compliance	SATISFIED	
8. Grant of necessary easements including: i. Access easement for the tunnel II. Any others general easements required for utilities, roadway improvements, planned construction	PARTIALLY SATISFIED	One tunnel entrance is located on an Excluded Parcel owned by Crooked Creek Golf Land, LLC. This condition will be fully satisfied if the Wake County Board of Education purchases the Excluded Parcel pursuant to their land sale contract. If WCBOE does not purchase, a perpetual easement over and across the Excluded Property will be needed from the current owners.
9. Rezoning from the Town of Fuquay-Varina if necessary	SATISFIED	
10. The purchase is conditional upon Board of Commissioner appropriation and, if required, Local Government Commission approval of the financing	PENDING BOARD ACTION	
11. That the County be able to connect the property to the Triangle Greenways Land to the north for the purpose of a future greenway	PARTIALLY SATISFIED	TGC has indicated they would be willing to sell the property to the County. ACOE has given preliminary, favorable feedback to a proposed break in the conservation easement that would be required to build greenways for the anticipated connection between the properties.

Property Development

Since there have been a range of options discussed regarding how the Property could be used (park, non-profit use, affordable housing) staff will engage a consultant to study these various options and to develop a master plan.

As part of this process, community input will be sought, as well as input from various non-profit and housing agencies and the Town of Fuquay-Varina. The primary deliverable from this process will be multiple scenarios for the Board to review and select from to give staff and the community guidance on the Board's intent on how the Property shall be used.

Crooked Creek Property	FY19				FY20		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Activity							
BOC Approval / Acquisition							
Design Consultant RFQ							
Master Plan Development							
BOC Review and Approval							

Once a master plan for the Property has been approved staff will then be able to put together a plan for development including process, timeline and costs for the Board of Commissioners to approve.

Interim Status of the Property

While the Property is being master planned and developed, the Property will be closed to the public. The County will put in place gates, bollards, fencing, lighting and signage to secure the Property as well as repairs to the maintenance facility. The County will also contract out mowing of the Property to prevent it from going into succession. The chart below shows the estimated costs related to this Property over the next two years.

APPROACH 1 - PROPERTY CLOSED TO THE PUBLIC			
LAND ACQUISITION	Total Cost	FY19	FY20
Conservation Fund Purchase Price	\$4,000,000	\$4,000,000	\$ -
FACILITIES			
Facility Demolition	\$ 45,000	\$ 45,000	\$ -
Maintenance Building Stabilization	\$ 167,000	\$ 167,000	\$ -
Grounds (Signage, Gates and Bollards)	\$ 131,000	\$ 131,000	\$ -
Subtotal	\$ 343,000	\$ 343,000	\$ -
PLANNING			
Master Plan	\$ 150,000	\$ 150,000	
Survey and Boundary Marking	\$ 60,000	\$ 60,000	
Subtotal	\$ 210,000	\$ 210,000	\$ -
OPERATIONS			
Mowing/Utilities	\$ 143,000	\$ 80,000	\$ 63,000
Subtotal	\$ 143,000	\$ 80,000	\$ 63,000
SUMMARY APPROACH 1 - NO PUBLIC ACCESS		FY19	FY20
Total Cost	\$ 4,696,000	\$ 4,633,000	\$ 63,000

Property Acquisition

The County has not entered into any contract with The Conservation Fund. In November 2017, the Board directed staff to bring forward a contract for consideration after certain conditions were satisfied. Financing options have been evaluated since the November 2017 Board meeting, including a proposed lease purchase agreement with The Conservation Fund.

As an alternative to the lease purchase agreement proposed in 2017, staff recommends an outright purchase from The Conservation Fund utilizing available fund balance in the Debt Service Fund to serve as the temporary source of funding, with ultimate intent of a future LOBs issuance serving as the permanent source of funding. The outright purchase will result in significant cost savings due to elimination of interest payments associated with the lease purchase proposal.

Current Board Action will (1.), at July 1, 2018, temporarily appropriate \$4,000,000 from fund balance in the County Debt Service Fund and transfer to the County Capital Parks element for purchase of former Crooked Creek golf course; and (2.) authorize an Intent to Reimburse Declaration from a future debt issuance for County to reimburse itself for prior \$4,000,000 acquisition costs; and (3.) appropriate \$553,000 from County Capital Uncommitted Funds for facilities and planning costs in FY19.

The County plans to issue LOBs later in fiscal year 2019 to take out then-outstanding Bank draw program balances utilized for previously authorized Schools and Wake Tech capital needs. The future LOBs transaction is intended to include an additional amount sufficient to fully reimburse the County for initial land acquisition expenses for the property, the debt service of which is expected to be repaid over a nineteen-year period. The future LOBs transaction will include a budget amendment to change the appropriation for the purchase of the property from fund balance in the Debt Service Fund to the LOBs.

The County's debt and capital model has been updated to include the future LOBs transaction. Fund balance and debt policy guidelines and thresholds remain within desired parameters sufficient to protect the County's AAA bond ratings. No further project costs are currently contemplated in the County's debt and capital model.

As stated, in addition to the acquisition of land, \$553,000 will be appropriated from County Capital uncommitted funds for the costs of demolition, building stabilization, grounds keeping, master planning and surveying work. Available funds are a result of prior year project savings and are set aside in reserve for future County Capital projects.

Attachments:

1. PowerPoint Presentation
2. Triangle Greenways Council Offer
3. Town of Fuquay-Varina e-mail on Infrastructure Requirements
4. Intent to Reimburse Declaration
5. Budget Memo – Revisions to Fiscal Year 2019 Debt Service Fund Ordinance
6. Budget Memo – Revisions to Fiscal Year 2019 Capital Improvement Fund Project Ordinance
7. Budget Memo – Revisions to County Capital Improvement Fund Uncommitted Funds