

**Item Title:** Swift Creek Land Management Plan Second Amendment and Land Acquisition of a Site Assemblage Containing 12.187 Acres for a Land Bank School Site in the South-Central Wake County/Cary/Southern Raleigh Area (First Reading)

**Specific Action Requested:**

- 1. 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 the May 20, 2019 agenda to approve the funding for purchase price and closing costs, subject to an amendment of the Swift Creek Land Management Plan approved by all the parties to the Swift Creek Land Management Plan Interlocal Agreement (ILA) that allows a school site on the subject property, in an amount not to exceed \$1,590,707.50 pursuant to N.C.G.S 115C-426; and**
- 2. That the Board of Commissioners approve of the proposed amendment to the Swift Creek Land Management Plan, subject to terms and conditions acceptable to the County Attorney; and**
- 3. That the Board of Commissioners authorize and direct the County Manager or his designee to advance the Board of Education's request to the Town of Apex, Town of Cary, Town of Garner, and City of Raleigh for the proposed amendment of the Swift Creek Land Management Plan, specifically a Land Use Classification amendment of the subject property, required for site development as a school.**

**Item Summary:**

**Purpose:** The Board of Commissioners must approve funding for land acquisition by the Wake County Board of Education.

**Background:** On August 7, 2018, the Board of Education accepted the terms and conditions for the purchase of ±12.187 acre assemblage of land in the central Wake County/Cary/Southern Raleigh area from the Shirley T. Warner Revocable Trust, the Luther and Shirley Warner Charitable Trust, and the Luther D. Warner Revocable Trust, for a total price of \$1,582,000 (12.187 acres x \$129,810 per acre), subject to approval of funding by the Board of Commissioners.

**Board Goal:** Meets the Board of Commissioners Education goals by collaborating with education stakeholders.

**Fiscal Impact:** Funding is available from the Land Acquisition Component of the Board of Education's Capital Improvement Plan Funds for the purchase price together with closing costs in an amount not to exceed \$1,590,708.

### **Additional Information:**

The Board of Education utilizes ongoing data-driven processes to identify school site locations needed to address growth and crowding in the Wake County Public School System. Growth and development in the area, current utilization levels in area schools, the distance to existing and planned schools, and specific regional instructional program needs are given due consideration.

A program need has been identified in central Wake County through the administration of the Space Needs Analysis and Prioritization (SNAP) process for a new Grades 6-12 Alternative Learning Program (ALP) facility. The purpose and function of the school is to provide special education and intervention services for middle and high school students for whom an alternative learning program is recommended. The school is anticipated to accommodate up to two hundred (200) students, with middle and high school students being separated for instructional purposes.

The proposed acquisition consists of an assemblage of seven parcels of land located on the southern side of Tryon Road, east of its intersection with Yates Mill Pond Road ("Site Assemblage"). The Site Assemblage is owned by the three Warner Family Trusts listed above. The tracts are more particularly identified as 5417, 5501, 5505, 5509 and 5517 Tryon Road and 6200 and 6212 Yates Mill Pond Road, and identified as having Wake County PIN 0772-96-8540, PIN 0772-96-7543, PIN 0772-96-6541, PIN 0772-96-5449, PIN 0772-96-3486, PIN 0772-96-5034 and PIN 0772-95-6565. Each parcel includes a house which is currently rented and occupied by tenants, or is vacant but suitable for occupancy. The houses and attendant structures will need to be demolished or removed in advance of further development of the Site Assemblage for the intended school use.

The Site Assemblage is located in Wake County's jurisdictional limits and is currently zoned R-40W. It lies in a non-critical area of the Swift Creek Watershed that is subject to the Swift Creek Land Management Plan, amendments to which can be requested in accordance with the provisions of the Swift Creek Management Plan Interlocal Agreement (ILA) adopted by the Board of Commissioners on November 20, 2017. The parties to the ILA are the Towns of Apex, Cary and Garner, the City of Raleigh and Wake County. Any amendment to the Swift Creek Land Management Plan must be approved by all parties to the ILA. An amendment is required prior to commencement of school development because public utility extensions are not allowed in this portion of the Swift Creek Watershed.

The Site Assemblage location is depicted below:



### **Due Diligence:**

The site information obtained in due diligence includes a Boundary Survey, a Phase I Environmental Site Assessment including lead-based paint and asbestos investigations, a Preliminary Subsurface Geotechnical Report, a preliminary feasibility study. The process also has included consultation with the appropriate County staff as well as the corresponding staff from the municipalities subject to the Swift Creek Watershed ILA. These discussions have also involved the process necessary for amendment of the Swift Creek Land Management Plan Interlocal Agreement to support development of a school on the Site Assemblage.

A meeting of Board of Education staff and planning and utility staffs of those ILA parties most directly impacted by the proposed site development has occurred. Outcomes of the meeting included an understanding that the Town of Cary would be the utility service provider, annexation into Town limits would be required, and specific storm water and impervious surface limits expectations would be agreed upon in advance of development. City of Raleigh staff has recommended certain storm water and impervious surface limits objectives, which based upon the preliminary feasibility study appear achievable.

Communications have also been had with Town of Garner and Town of Apex planning staff to inform them of the aforementioned meeting outcome. Information provided included the status of the Site Assemblage acquisition, the necessity of an amendment, and the intention to bring forward the amendment. Per the terms of the ILA, a party to the ILA may request an amendment by providing written notice of the proposed amendment and the reasons therefore to the other ILA parties.

As the Board of Education is not a party to the ILA, given the location of the Site Assemblage within Wake County's jurisdiction, the Board of Education respectfully requests that the Board of Commissioners approve the proposed Amendment and direct

Wake County staff to proceed with the appropriate measures necessary to seek and obtain approval from the other ILA parties.

**Site Valuation:**

An appraisal of the Site Assemblage was prepared by B. Carter Kennemur, North Carolina Certified General Real Estate Appraiser. Mr. Kennemur concluded that the market value of the Site Assemblage is \$1,674,000, ( $\pm 12.187$  acres x \$137,539 per acre), which supports the purchase price of \$129,810 per acre. Although the Site Assemblage is located within Wake County's ETJ and zoned R-40W, the Town of Cary has identified the land as lying within a Destination Center. This classification is intended for the greatest development intensities found in Cary and contemplates an intense mix of residential and/or commercial areas.

<b>Land Acquisition Site Assemblage Valuation Data</b>						
	<b>Appraised Value</b>	<b>Sales Price</b>	<b>Sales Price Over/(Under) Appraised Value</b>	<b>Appraised Value (Per Acre)</b>	<b>Sales Price (Per Acre)</b>	<b>Sales Price Over/(Under) Appraised Value Per Acre</b>
<b>Shirley Warner Trust Tract: 6212 Yates Mill Pond Rd</b>	\$803,000	\$699,000	(\$104,000)	\$83,995	\$73,117	(\$10,878)
<b>Luther Warner Trust Assemblage</b>	\$1,051,000	\$883,000	(\$168,000)	\$260,794	\$219,106	(\$41,688)
5417 Tryon Rd	\$175,000	n/a	n/a	n/a	n/a	n/a
5501 Tryon Rd	\$180,000	n/a	n/a	n/a	n/a	n/a
5505 Tryon Rd	\$182,000	n/a	n/a	n/a	n/a	n/a
5509 Tryon Rd	\$168,000	n/a	n/a	n/a	n/a	n/a
5517 Tryon Rd	\$182,000	n/a	n/a	n/a	n/a	n/a
6200 Yates Mill Pond Rd	\$164,000	n/a	n/a	n/a	n/a	n/a
<b>12.187 Ac. Total Site Assemblage:</b>	\$1,696,500	\$1,582,000	(\$144,500)	\$139,205	\$129,810	(\$9,395)

Land Acquisition Site Assemblage Valuation 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
<b>12.187 Ac. Site Assemblage:</b>	\$1,696,500	\$1,582,000	(\$144,500)	\$139,205	\$129,810	(\$9,395)
Comparable Sales in the Area	Date of Acquisition	Distance from Subject Property	Acreage	Sales Price	Sales Price (Per Acre)	Subject Sales Price Over/Under Comparable Sales Price (Per acre)
<b>5701 Tryon Rd (BOE Purchase)</b>	March 2019	Nearly Adjacent	4.04	\$1,100,000	\$273,377	(\$143,567 )
<b>Tryon Rd</b>	Imminent	Adjacent	2.116	\$1,200,000	\$567,108	(\$293,731)
<b>Carpenter Fire St. Rd.</b>	July 2016	9.3 mi NW	2.808	\$1,250,000	\$445,157	(\$315,347)
<b>Morrisville Pkwy</b>	Jan. 2017	9.0 mi NW	4.0	\$1,450,000	\$362,500	(\$232,690)
<b>Piney Plains Rd</b>	March 2016	1.0 mi NW	1.94	\$735,205	\$378,972	(\$249,162)

#### **Anticipated Site Improvements:**

WCPSS staff anticipates that public infrastructure costs will be within typical ranges due to the presence of public water and sewer services in the immediate vicinity. Preliminary concept plans indicate that typical on-site circulation driveways will be necessary due to the location and configuration of the site. Typical road improvements near the site frontages on Tryon Road and/or Yates Mill Pond Road to accommodate turn lanes and safe vehicular and pedestrian access will likely be considered for requirement by the City of Raleigh, Town of Cary and the North Carolina Department of Transportation when a school construction project is undertaken, and a site plan developed. The costs of any such required off-site road improvements are expected to be reimbursable pursuant to N.C.G.S. 160A-307.1 and 136-18(29a). A preliminary feasibility study utilizing a generic building size, parking and circulation indicates that site development costs will likely be commensurate with typical site development costs.

#### **Interim Site Management:**

Until the future school project is funded and full access to the Site Assemblage is needed for development, following acquisition WCPSS staff will develop a Property Management Plan, and will continue to collaborate with County staff in further discussion of mutually

beneficial opportunities. Since the single-family structures on the Site Assemblage are habitable, the Plan may include elements such as continued rental of the single-family houses, agricultural leases, short term uses to meet the space needs of WCPSS, or addressing known environmental remediation and demolition issues to save time and costs in development.

**Operational Cost Impacts:**

Modest utility and site landscape maintenance costs are anticipated until site development begins. While some program costs are in the current operational budget, additional operational costs may be incurred to meet existing needs once the facility is constructed.

**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, the subject property site meets those criteria at the lowest price available compared to other sites considered. Based on the information presented so far, County staff supports the selection of this site for a future school facility. County staff supports the acquisition of this site only if and when the Swift Creek Land Management Plan is amended by all parties to allow utility extensions to the subject property to support the proposed school development.

**Attachments:**

1. Presentation
2. South Central Wake County/Cary/Southern Raleigh Area Land Bank Site Contracts
3. Appraisals
4. Survey
5. Swift Creek Land Management Plan Interlocal Agreement
6. Proposed Draft Amendment to the ILA