

**Item Title:** Land Acquisition of a Parcel of Land Containing 28.9316 Acres Located on Piney Plains Road in Central Wake County (Cary Area) (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 \$13,194,531 pursuant to N.C.G.S 115C-426.**

**Item Summary:**

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

**Background:** On October 15, 2019, the Board of Education accepted the terms and conditions for the purchase of 28.9316 acres, subject to survey, parcel and improvements thereon located in the Central Wake County/Cary area from Crossroads Holdings, LLC for a total price of \$13,000,000, subject to approval of funding by the Board of Commissioners. This property, the former Crossroads Ford property, will become the school system's primary bus repair and maintenance hub.

**Board Goal:** This Board action supports routine County operations.

**Fiscal Impact:** Funding is available from the Land Acquisition Component and/or SNAP (Space Needs Analysis & Prioritization) 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 \$13,194,531.

**Additional Information:**

**Need for Acquisition:**

The Board of Education utilizes ongoing data-driven processes to identify school site and educational support locations needed to address growth and crowding in the Wake County Public School System. Acquisition needs have been identified for additional transportation center capacity to accommodate maintenance and repair of school buses, together with regional bus parking and related administrative space. Given the growth and development in the area, current utilization levels in area schools, the distance to existing transportation maintenance and repair facilities in southeast Raleigh and planned schools, the need for an additional regional transportation center in the area is well supported. Initial planning was undertaken for development of a transportation center on land owned by the Board of Education near the Middle Creek schools campus. However, given site constraints the projected costs began to significantly exceed the initially budgeted funds for the project. Acquisition of the subject parcel and existing commercial improvements will provide comparable space for maintenance, repair, parking and related

administration to meet identified needs at a more centrally accessible site that can be available two years sooner at a significantly lower cost that would result from continuation of the project at the Middle Creek site.

### **Land Acquisition Criteria:**

The proposed acquisition consists of a 28.9316-acre parcel of land (PIN 0773-40-1397) together with an 80,631 SF building constructed in 2001 and significant parking areas located at 1660 Piney Plains Road west of its intersection with Walnut Street in Cary. Primary access to the area is provided via US-1/64 and I-40/440, with secondary road access provided by Walnut Street, Tryon Road, and Holly Springs Road. The parcel is owned by Crossroads Holdings, LLC, is located within Town of Cary and is zoned General Commercial and General Commercial-Conditional Use. The subject property site location is depicted below:



### **Other Due Diligence and Site Assessment:**

The site information obtained in due diligence includes a Boundary Survey, a Phase I & II Environmental Site Assessment, geotechnical borings to evaluate asphalt conditions, and a preliminary Feasibility Study. WCPSS staff has also met with Town of Cary staff for collaborative discussions to review and discuss change of use within the zoning classification and other development considerations associated with the site location and intended uses.

The existing building and parking facilities was built for and used by Crossroads Ford as a Service Center and inventory storage lots for passenger vehicles and trucks. It was owner occupied and fully operational until the recent relocation of the business to a new facility, since which time owner operations continue on site to a lesser degree. No underground fuel or petroleum storage tanks are located on the site, with an existing

Town-required oil/water separator system being the only below-ground fluids handling system. Environmental due diligence studies did not identify any recognized environmental conditions. As water and sewer services exist on site, no significant costs are expected to be incurred with the adaptive reuse as a regional transportation center.

Preliminary concept plans indicate that minor changes to current on-site circulation flows will be necessary to accommodate bus turning radii, but that existing driveways will be sufficient. Road improvements near the site frontage on Piney Plains Road to accommodate turn lanes and safe bus and vehicular access to the site from adjacent State-maintained roads will likely be considered by the Town of Cary and/or the North Carolina Department of Transportation. Since the intended use is substantially similar to the existing use, the costs of such required off-site road improvements are expected to be less significant than if constructed on an undeveloped parcel as initially planned. Since the site use is for an educational support purpose and not for a K-12 purpose, any off-site road improvement costs are not expected to be reimbursable pursuant to N.C.G.S. 160A-307.1 and 136-18(29a).

### Appraisal Information:

An appraisal for the subject property was prepared by Chris Morris, MAI, of Integra Realty Resources. Mr. Morris concludes that the market value of the land and improvements is \$15,240,000. The appraised value supports the purchase price. For comparison, purchase data for comparable sites central/western Wake County area is summarized below:

Land Acquisition Valuation Comparison					
	Appraised Value	Sales Price	Sales Price Over/(Under) Appraised Value	Appraised Land Value* (Per Acre)	Appraised Land Value* (Per Foot)
Crossroads LLC Parcel	\$15,240,000	\$13,000,000	(\$2,240,000)	\$348,408	\$8.00
*Note: Excludes improvements valuation as comparable sales are undeveloped sites.					
Comparable Land Site Sales in the Area	Date of Acquisition	Acreage	Total Sales Price	Sales Price (Per Acre)	Sales Price (Per Foot)
5401 Trinity Road	11/2018	5.6192	\$2,500,000	\$444,903	\$10.21
6901 Play Golf Way	12/2017	18.08	\$4,939,000	\$273,121	\$6.27
4429 NC Highway 55	8/2017	20.73	\$7,200,000	\$356,756	\$8.19
3208 & 3224 Green Level West Rd	2/2017	38.33	\$12,285,000	\$320,601	\$7.36
1402 N. Salem Street	9/2016	22.35	\$8,750,400	\$391,604	\$8.99



### Utilities and Transportation Infrastructure:

The existing facility has utility infrastructure in place. There is an approved NCDOT State Transportation Improvement Project (STIP I-5703) planned to reconstruct the interchange along I-40 at I-440/US-1/US 64. An aspect of the project includes reconfiguration of on and off ramps from eastbound US-1/US-64 to access the Walnut Street area that consists of removal of existing ramps and installation of new ramps in a more westerly location. The projected location of the new ramps will encroach upon the western portion of the site where vehicle storage lots are located. At the time the project proceeds, the Board of Education will receive just compensation for the taking of such land as is necessary to support the STIP which will offset acquisition and adaptive reuse cost. An STIP I-5703 Public Meeting Map is depicted below:



Preliminary concept plans have been developed to study the bus parking capacities before and after the take to confirm sufficiency. Before the take, regional bus storage capacity (165) is estimated to be greater than the initial Middle Creek plan (142), and after the take, the reduced regional bus storage capacity (126) is estimated to remain sufficient to address known needs.

The contract terms include a post-closing short term lease for the Seller to continue its use of two vehicle storage lots for up to six months during its relocation transition at a lease rate of \$3,000 per lot per month. The contract terms also include conveyance of furniture, fixtures and equipment on site at no additional cost, which includes numerous automotive lifts, storage tanks, air compressors, air hoses and reels, carts, worktables, parts storage racks, tables, chairs and miscellaneous furniture and equipment. Such furniture, fixtures and equipment as cannot be repurposed on site, or utilized to support other educational or educational support purposes can be sold as surplus property through appropriate established processes for disposition of property.

**Site Map:**

(See map on page 2)

**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 necessary to support the regional transportation center program, acquisition of the Piney Plains Road site and its adaptive reuse meets those criteria at a substantially lower price when compared to the Middle Creek site considered. Based on the information presented, County staff supports acquisition of this parcel for a future regional transportation center.

**Attachments:**

1. Presentation