

Item Title: Land Acquisition of an Assemblage Containing a Total of 41.150 Acres Located on Rex Road in Southwestern Wake County (Holly Springs) (Second Reading)

Specific Action Requested:

That the Board of Commissioners approves funding of this purchase price together with closing costs in an amount not to exceed \$2,928,231.00 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: The Board of Education approved the terms and conditions for an offer to purchase two tracts of land containing a total of 41.150 acres located in Southwestern Wake County/Holly Springs from (1) Gregory W. Hobby and spouse, Julie K. Hobby on March 24, 2020, and (2) Karen W. Cody and spouse, Christopher C. Cody on September 1, 2020, for a total price of \$2,362,181.94, subject to approval of funding by the Board of Commissioners. This site assemblage will accommodate a future elementary school.

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 \$2,928,231.00.

Additional Information:

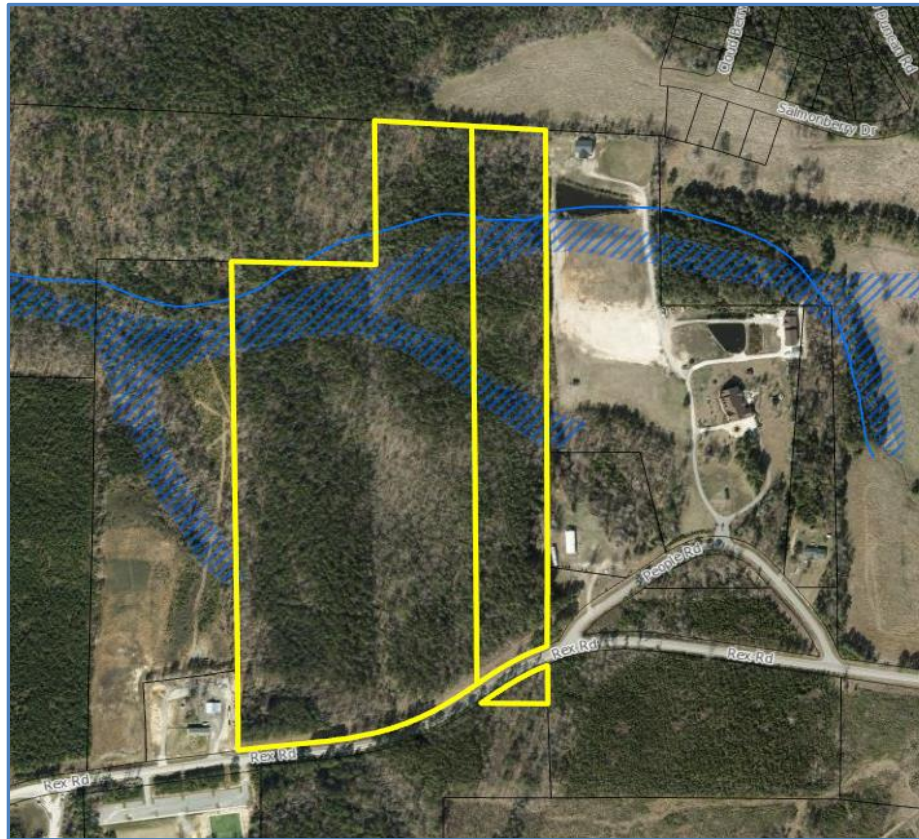
Need for Acquisition:

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. Acquisition needs were identified in the southwestern Wake County area for additional capacity. Given the growth and development in the area, current utilization levels in area schools, the distance to existing and planned schools, the need for an elementary school site in the area is well supported.

Land Acquisition Criteria:

The proposed acquisition consists of two parcels located on the northern side of Rex Road west of its intersection with Cass Holt Road, Holly Springs Township, in Holly Springs, Wake County, NC. They include: (1) a 31.281 acre parcel of land owned by Gregory W. Hobby and spouse, Julie K. Hobby, having PIN 0637-38-8616; and (2) a 9.869 acre parcel of land owned by Karen W. Cody and spouse, Christopher C. Cody,

having PIN 0637-48-3806. The parcels are located within the Town of Holly Springs Extra Territorial Jurisdiction and are currently zoned R-30. The subject property assemblage location is depicted below:



The subject property is bisected by a buffered jurisdictional stream features that cross the northern portion of the site assemblage in two places. The area south of the stream is planned for the elementary school site location. The ± 3.0 acre and ± 4.0 acre areas north of the streams may not be needed for the elementary school site and may be sufficient to accommodate an educational support program need in the area identified by the Space Needs Analysis & Prioritization program. Collaborative discussions have also begun with the Town of Holly Springs staff to explore potential school/park joint use opportunities. There is also a 0.343 acre area of the assemblage that is severed from the main assemblage and located south of Rex Road. Should any usable surplus acreage be identified after location of the identified educational and educational support needs, it will be evaluated by Board of Education and County staff to explore feasibility for potential affordable housing.

Other Due Diligence and Site Assessment:

Due diligence studies procured included a Phase 1 Environmental Site Assessment, Geotechnical subsurface exploration study, Streams and Wetlands jurisdictional delineation, Survey, Appraisals, Feasibility Study and Site Development Cost Estimate.

Appraised Value Information:

An appraisal for the subject properties was prepared by Timothy S. Allen of Seagle & Associates, LLC. Mr. Allen concludes that the market value of the assemblage is

\$2,215,000.00, which appraised value supports the purchase price. Despite rising prices, the southwestern Wake area still sees high demand for residential development. With more houses and less land available to build, school siting becomes more and more difficult. The subject location provides an opportunity to address area overcrowding and capping, while adding additional capacity. For comparison, the latest school site purchase data for sites in this area is summarized below:

Subject Property	Est. Date of Acquisition	Acreage	Blended Net Sales Price*	Appraised Value (Per Acre)	Blended Net Sales Price* (Per Acre)	Sales Price Over/(Under) Appraised Value Per Acre
Exx2 ES Site – Rex Road	11/2020	41.150	\$2,362,182	\$53,827	\$57,404	\$3,577

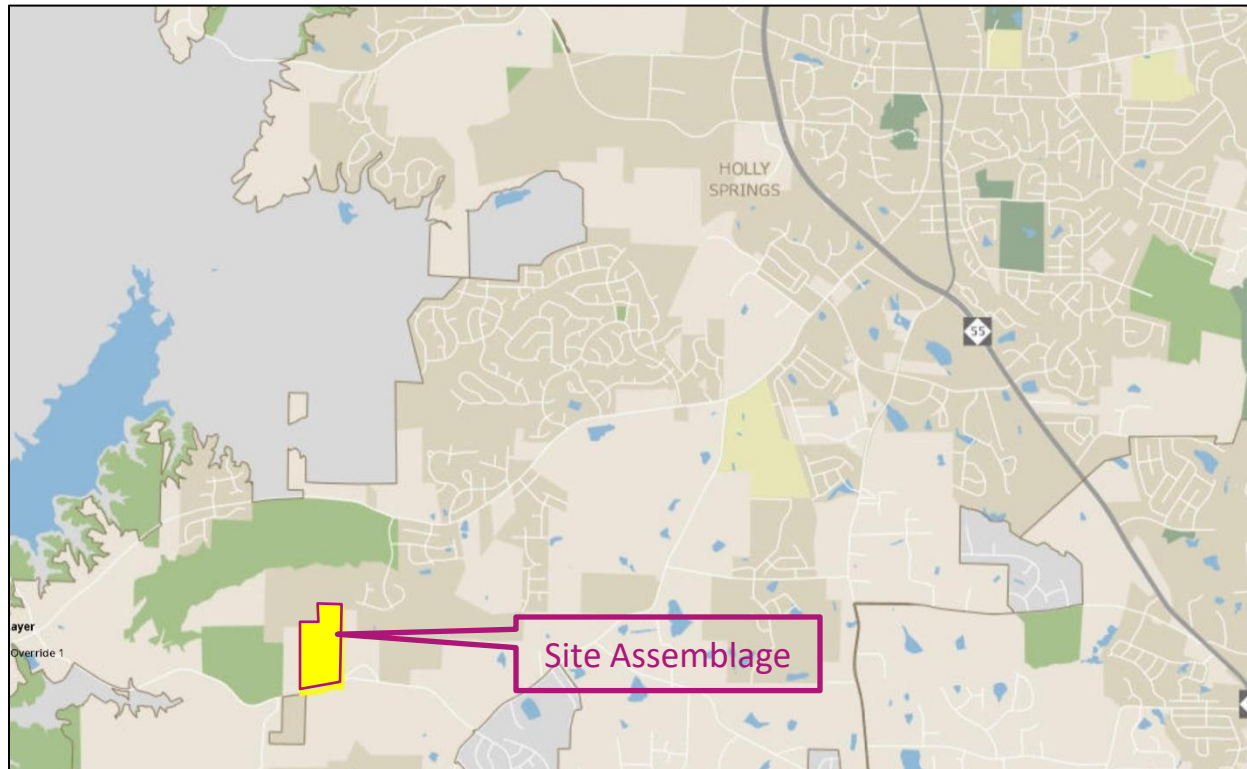
Recent Acquired Sites In The Area	Date of Acquisition	Acreage	Total Sales Price	Appraised Value (Per Acre)	Sales Price (Per Acre)	Sales Price Over/(Under) Appraised Value (Per Acre)
E-45 Buckhorn Creek ES	3/2016	22.05	\$1,333,904	\$60,000	\$64,431	\$4,431
E-43 Oakview ES	9/2014	23.55	\$1,228,050	\$64,431	\$52,146	(\$12,285)
E-36 White Oak ES	6/2014	22.38	\$2,461,800	\$100,000	\$110,000	\$10,000

* Note: Total Sales price includes deduction for unusable area within easements and rights-of-way per contract terms.

Utilities and Transportation Infrastructure:

Water and sewer service is currently unavailable at the site, but is within close proximity as the infrastructure is currently being extended into the adjacent Bridgeberry residential development to the north. Infrastructure extensions therefrom as may be required will be included in offsite improvements as part of the future elementary school project. WCPSS staff anticipates that public infrastructure costs will be within typical ranges due to the proximity and availability of water and sewer services.

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 frontage on Rex Road to accommodate turn lanes and safe vehicular and pedestrian access to the site from adjacent State maintained roads may be considered for requirement by the Town of Holly Springs, Wake County, and/or the North Carolina Department of Transportation at such time as a school construction project is undertaken and a site plan developed. The costs of such required off-site road improvements are expected to be reimbursable pursuant to N.C.G.S. 160A-307.1 and 136-18(29a). Site designs are expected to impact a delineated wetland area near the center of the site, although due to its small size (0.12 acres) and low environmental value, it is not a significant barrier to development. A preliminary feasibility study utilizing a generic building size, parking and circulation, and available due diligence information indicates that site development costs will likely be commensurate with typical elementary school site development costs.

Site Map:**Wake County Staff Comments:**

County staff has been involved in certain aspects of the site selection process and has reviewed the findings. Based on the information presented, County staff supports acquisition of the subject property assemblage for a future school facility.

Attachments:

1. Presentation