

Item Title: Approval of the Acquisition of the Wake Equity LLC Property through the County's Open Space Program

Specific Action Requested:
That the Board of Commissioners:

1. **Authorizes the County Manager to execute a \$1,684,376 agreement to purchase the Wake Equity property, subject to terms and conditions acceptable to the County Attorney; and**
2. **Appropriates \$76,675 of NCDOT 540 Settlement funding for contribution to the Open Space purchase; and**
3. **Appropriates \$306,701 of Parks, Greenways, Recreation and Open Space bond funding planned for Open Space.**

Item Summary:

Purpose: The Board of Commissioners approves all County real estate transactions and appropriates all expenditures.

Background: One goal of the 2018 Parks Greenways Recreation & Open Space bond was to continue the County's efforts toward open space preservation. To this end, staff put forward an open space Request for Proposals (RFP) in 2019 to solicit responses from landowners interested in preserving their property. Forty target acquisitions were presented to the Board of Commissioners at their October 26, 2020 work session.

The 119.563 Wake Equity property in eastern Wake County is adjacent to the Town of Wendell Community Park. A large portion of the property is in the Buffalo Creek floodplain with uplands on the northern third of the property. The uplands areas are in old field succession having been in agriculture in the mid-2000s.

At its April 5, 2021 meeting, the Board of Commissioners approved this acquisition at a price of \$1.301 million, or \$10,881 per acre. During due diligence the seller, Wake Equity LLC, rescinded their offer to sell and wishes to renegotiate a new price of \$1,684,376 or \$14,088 per acre. The increased asking price remains below the appraised value of \$1.7 million or \$14,218 per acre by Integra Realty Resources.

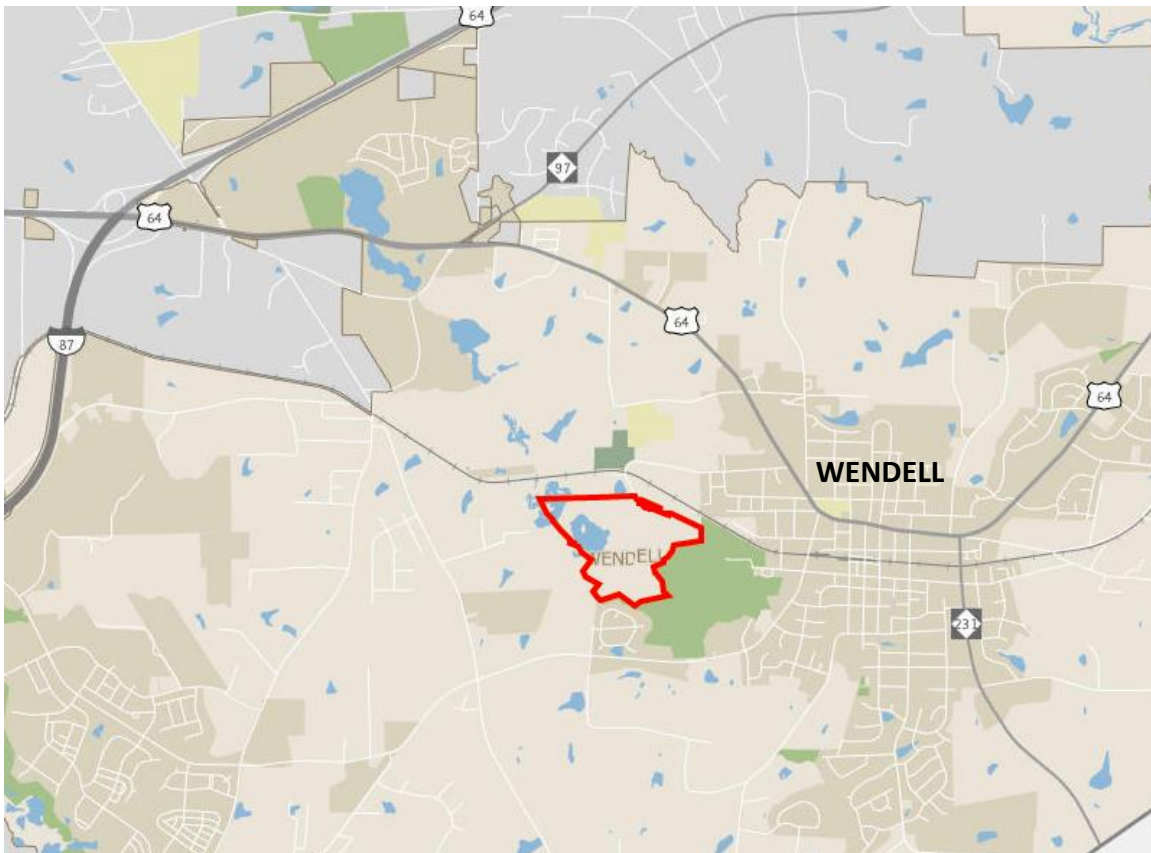
Board Goal: This action supports Growth and Sustainability Goal 4: Preserve open space and expand access to parks, preserves, recreation resources, and greenways.

Fiscal Impact: At its April 5, 2021 regular meeting, the Board approved a budget of \$1,342,400 for the purchase of the Wake Equity LLC property. An additional appropriation of \$76,675 of NCDOT 540 settlement and \$306,701 of PGROS bonds planned for Open Space will cover the additional \$383,376 from the renegotiated sales price.

Additional Information:

The successful 2018 Parks Greenways Recreation & Open Space bond reserved approximately \$20 million to continue the County's efforts toward open space preservation. In 2019, County staff put forward an open space Request for Proposals (RFP) to solicit responses from landowners interested in preserving their property. From over two hundred responses, staff presented approximately 40 target acquisitions to the Board of Commissioners at their October 26, 2020 work session.

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Although this is an unusual situation and the first time that staff has brought an open space land acquisition back to the Board of Commissioners for reconsideration, staff believe that the County should agree to the new offer for three reasons:

- The property is highly ranked in our open space model and is considered a priority acquisition.
- The property is adjacent to the Town of Wendell Park and a portion of the property could be purchased in the future by the Town to expand its recreation opportunities.
- The cost of the property is lower than appraised value.

Project Costs	Amount
Property Cost Covered by NC DOT	\$336,875
Property Cost Covered by Wake County	\$1,347,501
Due Diligence Costs	\$41,400
Total	\$ 1,725,776
Project Funding Sources	
4/5/21 Appropriation of NC DOT Funding	\$ 260,200
4/5/21 Reallocation of Wake County PGROS Bond Funding	\$ 1,082,200
6/7/21 Additional appropriation of NC DOT Funding	\$ 76,675
6/7/21 Additional Appropriation of Wake County PGROS Bond Funding	\$ 306,701
Total	\$ 1,725,776

Due diligence and closing costs of \$41,400 will make the County's total investment \$1,388,901. With the NC DOT investment of \$336,875, the project will have a total cost of \$1,725,776.

The Town of Wendell has expressed an interest in partnering with the County on this acquisition for potential use for active recreation. If this partnership comes to fruition, the Town will purchase a portion of the property from Wake at our acquisition price.

The Open Space and Parks Advisory Committee (OSAPAC) reviewed this acquisition at its May 24, 2021 meeting and voted unanimously to forward the item to the Board of Commissioners for their consideration.

The 2018 Parks Greenways Recreation & Open Space bond anticipated \$20.5 million for the continued acquisition of open space across the County. The current total of unallocated bond funds is \$16,537,815. Provided the two open space acquisition items on today's agenda (Wake Equity \$306,701 and TLC \$1,555,964) are approved, the remaining unallocated bond funding will be \$14,675,150.

Attachments:

1. CIP Budget Memo – FY 2021 County Capital - PGROS