



251 South Street Property Acquisition

Date: September 11, 2018

To: Davidson Board of Commissioners

From: Dawn Blobaum, Assistant Town Manager

1. OVERVIEW

The Board of County Commissioners waived their right of first refusal to purchase the former IB School property at their September 5 meeting, clearing the way for our purchase. We have 60 days from that date (until November 5) for due diligence; the closing will be in early December. During the due diligence period, we will complete a survey of the property, a Phase 1 environmental study, and a lead test of the water supply. We've received proposals for the work and the engineers are ready to begin.

Legal fees include closing and title search costs.

2. RELATED TOWN GOALS

Strategic Plan: Operations, Tactical Priority 2. Capital and maintenance needs.

Core values: Citizens entrust town government with the stewardship of public funds, so government will provide high quality services at a reasonable cost.

Constituents: All Davidson residents.

3. FYI or RECOMMENDED ACTION

Requested action: Approve Resolution 2018-24 to affirm the purchase of 251 South Street and appropriate \$45,000 funding for deposit, legal fees, and due diligence from Public Facilities Capital Projects fund.

4. OPTIONS/PROS & CONS

Pros: Continue purchase process

Cons: Funding is not in current budget

5. NEXT STEPS – DRAFT SCHEDULE

September 5: BoCC approve sale – 60-day due diligence period begins

September 10: Escrow deposit due to closing attorney

September 11: Board approve funding for deposit, legal fees, and due diligence

October 2: Finance Director sends financing RFP to banks

October 23: Public hearing on financing

November 2: Finance Director receives proposals from banks

November 5: Due diligence complete

November 27: Board approves installment financing; appropriates funding for maintenance, utilities, and insurance for remainder of FY19; and considers gym stabilization funds

December 4: LGC approve financing

December 5 +/-: Close on loan and close on property