

## City Council – Action Request Form

**Date:** September 12, 2022

**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

**From:** Ben Rowe, Assistant City Manager

**Council Action Requested:**

Resolution Approving the Sale of City-Owned Land by Private Sale to The Arts Based School Supporting Organization (East Ward)

**Strategic Focus Area:** Economic Vitality and Diversity

**Strategic Objective:** N/A

**Strategic Plan Action Item:** No

**Key Work Item:** No



**Summary of Information:**

The Arts Based School was founded over 20 years ago as a public charter school and currently serves over 500 students in grades K-8. In recent years, the school has seen its waitlist for new students grow to 400-500. To meet this growing demand, the school's leadership has engaged in discussions with Winston-Salem/Forsyth County Schools about leasing space in the former Diggs Elementary School, which is located on Mock Street in the Happy Hill neighborhood. The WSFCS Board recently approved a one-year lease with The Arts Based School for use of 14,000 square feet in the former Diggs Elementary School to start a second elementary school. The Arts Based School will open the new school in August 2022 with grades K-1.

The Arts Based School is seeking to expand the campus of its new school to eventually establish a middle school. The school would establish enrollment through a lottery system in which students who are eligible for free or reduced lunch would be given greater weight for the selection process. As part of The Arts Based School's focus on serving this underserved area of the community, they plan to partner with Winston-Salem State University and the UNC School of the Arts to provide an enriched arts-based educational experience. Both chancellors are supportive of The Arts Based School's plan. Please see the attached press release.

**Committee Action:**

<b>Committee</b>	Finance 9/12/22	<b>Action</b>	Forward without Recommendation
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<b>For</b>	Unanimous	<b>Against</b>	
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**Remarks:**

To provide for their future expansion in the Happy Hill community, The Arts Based School's leadership is interested in acquiring 8.91 acres of City-owned land (PIN# 6834-59-5540) located west of the former Diggs Elementary School (Attachment 1). The tract totals 8.91 acres and is zoned for multi-family residential development. According to the County Tax Administration website, the appraised value of the land totals \$295,800. Council Member Scippio has asked City staff to explore donating the land to The Arts Based School. It should be noted that the City Council previously identified this tract of land for potential development of affordable housing as part of a strategy to increase the number of affordable units citywide.

Under G.S. 160A-279, the City can sell land to a non-profit organization if the use serves a public purpose. The provision of educational programs is one of the public purposes identified in G.S. 160D-1311. Because State Statute does not allow for the donation of City-owned land, the City could sell the land at a nominal price, such as \$1.

At the Finance Committee's August meeting, Council Members requested demographic information about The Arts Based School's students, staff, and board. They also requested information about the school's lottery process for developing the new school's enrollment. Attachment 2 provides the requested information.

Because a charter school cannot purchase real property, any such purchase would be made through The Arts Based School Supporting Organization, a 501(c)(3) non-profit organization. The attached resolution authorizes the sale of 8.91 acres of City-owned land, identified as PIN# 6834-59-5540, to The Arts Based School Supporting Organization by private sale for \$1, as authorized under G.S. 160A-279 and G.S. 160D-1311. As part of the purchase agreement, the City would retain a deed restriction on the property for 30 years to ensure the property is being used to carry out the public purpose established in the agreement. At the end of the 30-year term, the City would release the deed restriction assuming the terms of the agreement have been met. In addition, the purchase agreement will require any tenant of the facility built by The Arts Based School Supporting Organization to comply with the public purpose established in the agreement.