

RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY TO C4 DEVELOPMENT, LLC

WHEREAS, the City of Charlotte (the “City”) owns two parcels of real property comprised of 77.96 acres, identified as Tax Parcel No.’s 103-041-08 and 103-041-99, and located at Central Avenue and Wilora Lake Road in Charlotte, North Carolina (the “Development Site”);

WHEREAS, on November 9, 2020, City Council authorized the City Manager to negotiate and execute a Master Development Agreement, Infrastructure Reimbursement Agreement, and a Tax Increment Grant Agreement with C4 Development, LLC, (the “Developer”) for purposes of constructing public infrastructure, public parking, and other public improvements on the Development Site;

WHEREAS, to further encourage and foster redevelopment of the Development Site, the City desires to transfer specific parcels as considered by the City and Developer to be ready for development in accordance with the terms of the Master Development Agreement;

WHEREAS, the City and Developer have identified certain portions of the Development Site consisting of approximately 57.5 acres of the 77.96 acre site and more particularly described on the attached Exhibit A (each "Private Development Parcels"), for private development and each party desires to transact for the purchase and sale of the Private Development Parcels pursuant to the terms and conditions hereinafter set forth;

WHEREAS, the Private Development Parcels were appraised in February 2020 and determined to have a fair market value of \$3.19 per sq. foot;

WHEREAS, the Master Development Agreement sets forth the general terms and conditions regarding phased property transactions, revenue sharing, and community benefits and contemplates the transfer of Private Development Parcels in accordance with the following terms:

- A. The City will convey to Developer (an affiliate of Crosland Southeast) options to purchase the Private Development Parcels;
- B. Developer shall deliver to the City a written notice specifying the parcels to be acquired in fee simple and the closing date for such conveyance, which closing date must occur within 60 to 90 days from the date of the notice.
- C. With each notice, Developer shall deposit 10% of the purchase price of the applicable parcels subject to the conveyance as earnest money;
- D. The City and Developer will enter into a Supplemental Private Improvement Agreement prior to the closing of any parcel(s);
- E. The Supplemental Private Improvements Agreement will define the specific parcel to be conveyed, the minimum square footage and product type that shall be constructed on a parcel and the required completion date;

- F. City shall convey its ownership interest in, and deliver possession of, the applicable Private Development Parcel(s) to Developer on the applicable closing date via special warranty deed to Developer, subject to non-monetary matters of record and the restrictions herein set out and described in the Master Development Agreement;
- G. To keep the option to purchase from terminating, each of the following must be satisfied:
 - 1. The closing on the initial acquisition must occur no later than December 31, 2023, and include a minimum of 5 acres;
 - 2. Thereafter, within 24 months after the initial acquisition, and within 18 months after each subsequent acquisition, Developer must close on at least one additional acquisition comprised of at least 2 acres; and
 - 3. Developer must acquire all parcels no later than 60 months from the date of the initial acquisition;
- H. The initial purchase price for parcels conveyed to Developer on or before August 31, 2025, shall equal \$3.19 per square foot of net land area within the parcel(s) conveyed. The purchase price for all parcels conveyed after August 31, 2025, shall equal the greater of the initial purchase price or the then Fair Market Value determined by the parties, or three licensed real estate appraisers as defined in the Master Development Agreement. The purchase price for the Private Development Parcels reserved for use as single-family residences shall remain the same as the initial purchase price;
- I. The City will have the right to reacquire conveyed parcels in the event of the failure to commence or complete the designated improvements on any parcel in accordance with the Master Development Agreement. This right shall be set forth in the applicable special warranty deed;
- J. Before beginning construction on any parcel, Developer must submit construction plans to the City for its review in accordance with the Master Development Agreement;
- K. The Private Development Parcels shall be developed for various uses, which may include for-sale residential, commercial, market rate rental residential, and senior housing rental residential; the senior housing rental component shall be comprised of a minimum of 70 senior affordable units with affordability targets between 30-80% of Area Median Income with specific unit sizes and numbers as designated and required by the North Carolina Housing Finance Agency in the Tax Credit approval process, provided, however, that at least 20% of the senior housing rental units must be reserved for families/seniors with incomes 60% or below the applicable Area Median Income;

WHEREAS, pursuant to City of Charlotte Charter §8.22, the city has the authority to convey real property by private sale when it determines that the sale will advance or further any Council adopted economic development, urban revitalization, community development, or land use plan or policy;

WHEREAS, the City Council of the City of Charlotte has determined that the conveyance of the Private Development Parcels to C4 Development, LLC will advance the City's economic development to benefit the community, and the 2016 Council-adopted goal to create 5,000 affordable housing units; and

WHEREAS, notice of the proposed transaction was advertised at least ten days prior to the adoption of this Resolution.

NOW THEREFORE, BE IT RESOLVED by the City Council for the City of Charlotte, pursuant to Section 8.22(d) of the City of Charlotte Charter, that:

The City hereby authorizes the private sale of the above referenced Private Development Parcels upon the terms and conditions set out in the Recitals hereinabove, which are incorporated herein by reference, and pursuant to the Master Development Agreement; and that the City Manager, or his designee, is authorized to execute such documents and instruments necessary to effectuate such conveyances in conformity herewith.

ADOPTED THIS 31st DAY OF MAY 2022.

EXHIBIT A

