

Legislation Details (With Text)

File #:	15-19390	Version:	1	Name:	
Type:	Business Item	Status:		Agenda Ready	
File created:	12/15/2022	In control:		City Council Business Meeting	
On agenda:	1/23/2023	Final action:			
Title:	Central Avenue Property Transaction				
Attachments:	1. 5516 Central Avenue_Map, 2. Resolution to Sale				

Date	Ver.	Action By	Action	Result
1/23/2023	1	City Council Business Meeting	Approve	Pass

Central Avenue Property Transaction

Action:

- A. Adopt a resolution approving the sale of city-owned property located at 5516 Central Avenue (Parcel Identification Number 103-021-02) to Starmount Management, LLC for \$2.76 million, and**
- B. Authorize the City Manager, or his designee, to negotiate and execute all documents necessary to close the transaction as authorized.**

Staff Resource(s):

Tracy Dodson, City Manager's Office
Todd DeLong, Economic Development
Andrew Kelly, City Attorney's Office

Explanation

- In 2018, the City of Charlotte acquired approximately 3.89 acres at 5516 Central Avenue for \$2.2 million that included a 36,348 square foot building.
- The city planned to consolidate the Innovation & Technology staff on the site, but a significant investment would be required to make the building suitable for this purpose.
- Starmount Management, LLC, a Charlotte-based management services company ("Starmount"), contacted the city regarding their desire to acquire the property to develop a Pediatric and Adolescent Behavioral Health Facility (the "Facility") and Training Program. Starmount expects to create 124 jobs (95 full-time) as a result of operating the Facility and Program.
- The offer from Starmount includes the following terms:
 - Purchase price of \$2.76 million (\$25,000 Earnest Money Deposit);
 - Due diligence period of 90 days (with possibility of two 30 day extensions);
 - Closing to occur within 30 days after the expiration of the due diligence period; and
 - The conveyance is subject to the city keeping a right to re-acquire the Property for the purchase price plus three percent per year if Starmount does not begin the process to redevelop the property within three years from the closing date.
- Starmount has also agreed to commit to a Training Program, the terms which require Starmount to:
 - Initiate a training program for paid interns within 5 years from the closing date;
 - Hire a minimum of 10 individuals each year for at least five years; and
 - Pay \$170,000 to the city if any of the Training Program terms are not fulfilled.
- The Property was appraised on July 20, 2022; fair market value was estimated to be \$2.93 million.

- This acquisition will allow Starmount to support their mission through:
 - Job creation;
 - Employee education and training;
 - Employee mentorship program;
 - Community support and giveback; and
 - Providing a service that is in short supply.
- The Planning Commission reviewed the Property for sale in September 2022.

Fiscal Note

Funding: Revenue from the sale will be deposited to the General Capital Investment Plan

Attachment(s)

Property Map
Resolution