

## Legislation Text

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File #: 15-19390, Version: 1

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### 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