

**RESOLUTION APPROVING FORGIVENESS OF OUTSTANDING
CITY LOAN AND THE ACCEPTANCE OF A DONATION OF
LAND REGARDING THE UNDEVELOPED LOTS WITHIN
THE LAKE PARK SUBDIVISION**

WHEREAS, in April 1990, City Council authorized a \$275,000 loan to Lake Park Development, Inc. for the construction of approximately 43 middle income houses in East Winston; and

WHEREAS, the City loan was for public infrastructure improvements and amortized at 0% interest for 25 years with payments being made on a pro rata basis as lots were sold in the development; and

WHEREAS, of the 43 lots, 22 remain undeveloped and the developer has advised he will not be investing any additional funds into the project; and

WHEREAS, due to multiple factors including the extensive development costs associated with completing this development based upon the original restrictive covenants, the slow market conditions and the developer's decision, staff has determined that the best solution is for the City to assume ownership of the land; and

WHEREAS, in exchange for the land donation, the City will forgive the outstanding loan to Lake Park Development, Inc. totaling \$167,500; and

WHEREAS, to assist with the future development of the Lake Park subdivision, as originally proposed, these lots will be retained and maintained by the City and only sold (at a reduced rate) to any homeowner or developer seeking to build under the original restrictive covenants for homeownership.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Winston-Salem, upon the recommendation of the Finance Committee, that the City hereby forgives the outstanding City loan to Lake Park Development, Inc. totaling

\$167,500 and in return, the City would receive the 22 undeveloped lots within the Lake Park subdivision. These lots total approximately 20.73 acres and have an estimated value of \$407,300 based upon the average of the appraisal and tax values.

BE IT FURTHER RESOLVED, by the Mayor and City Council, that these lots would be retained and maintained by the City and only sold (at a reduced rate) to any homeowner or developer seeking to build under the original restrictive covenants for homeownership, provided the same is permitted by law at the time the sale occurs.