

City Council – Action Request Form

Date: September 10, 2018

To: The City Manager

From: Damon C. Dequenne, Assistant City Manager
S. Kirk Bjorling, Real Estate Administrator

Council Action Requested:
Consideration of a Resolution Authorizing the Sale of Certain City-owned Property on Eighth Street and Ninth Street Under the Upset Bid Procedure (N.C.G.S. 160A-269) (North Ward and East Ward)

Strategic Focus Area: Economic Vitality and Diversity
Strategic Objective: Develop and Redevelop Commercial/Industrial Park Sites
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:
 The City owns a parking lot on Eighth Street, between Oak Street and North Trade Street, composed of thirteen lots containing a total of 45,022 square feet. The lots are further identified in the attached Exhibit A. The appraised value for this property is \$265,475. The City also owns property on Ninth Street, between North Chestnut Street and North Patterson Avenue, containing 23,000 square feet in Tract 1 and an additional 18,723 square feet in Tract 2, for a total of 41,723 square feet. The appraised value of Tract 1 is \$150,250, and the appraised value of Tract 2 is \$116,375, for a total of \$266,625. These lots are, or will be, surplus to the City’s needs in the future. Industry Hill Properties, LLC (Industry Hill), 807 North Trade Street, Winston-Salem, NC 27101, James H. (Hank) Perkins, Member/Manager, has offered to purchase these three parcels for the appraised value, totaling \$532,100. Industry Hill Properties, LLC has invested approximately \$30,000,000 in the northern edge area of downtown over the past years with an additional \$3,900,000 currently under construction, and an additional \$3,500,000 planned for investment with the purchase of the City-owned property. Industry Hill has provided additional information in the form of a letter identified as attached Exhibit D. The City Council has found that it is in the public interest to add the conditions set forth in Exhibit E and that the sale of the property is contingent upon the conditions and restrictions contained in Exhibit E. The sale will be based on N.C.G.S. 160A-269, an upset bid procedure, as well as legislation passed in

Committee Action:

Committee	<u>Finance 9/10/18</u>	Action	<u>Forwarded to Council</u>
For	<u>Council Members Clark, Adams and MacIntosh</u>	Against	<u>Opposed: None; Abstaining: Council Member Burke</u>

Remarks:

1983 and 2008, and that authorization is contained in Exhibit F and Exhibit G.

This property is purchased “As Is/Where Is And With All Faults”. Under the provisions of N.C.G.S. 160A-269, the City Secretary shall cause a notice of proposed sale, containing a general description of the properties, the amount and terms of the offer, and a notice that within ten days any person may raise the bid by not less than ten percent of the first \$1,000 and 5% of the remainder, to be published, and without further authorization of the City Council, shall re-advertise the offer at the increased bid; this procedure shall be repeated until no further qualifying bids are received, at which time the City Council may accept the offer and sell the properties to the highest bidder or reject any and all offers. In the event that no upset bid is received, the properties will be sold to Industry Hill Properties, LLC, or its assigns, without further City Council action. If raised bids are received, City Council confirmation is required.

The attached resolution authorizes the sale of the property described in the attached Exhibit A, under the upset bid procedure to Industry Hill Properties, LLC, or its assigns, as herein stated.