

City Council – Action Request Form

Date: June 10, 2019

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Evan Raleigh, Assistant City Manager
S. Kirk Bjorling, Real Estate Administrator

Council Action Requested:

Consideration of a Resolution Authorizing the Sale of Certain City-owned Property at 310 Martin Luther King, Jr. Drive Under the Upset Bid Procedure (N.C.G.S. 160A-269) (East Ward)

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: Recruit and Retain Employers

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

The City is the owner of a vacant lot at 310 Martin Luther King, Jr. Drive. It is further identified as Tax PIN 6835-67-8187. The lot is 0.56 acres in size. The tax value is \$104,600 and the appraised value is \$110,700.

MTB3 Properties, LLC (MTB3), 1143 Clyde Edgerton Drive, Kernersville, NC 27284, Charmon Baker and Michael Baker, Principals, has submitted an offer of \$110,700, the appraised value, along with the required 5% bid deposit to purchase the property. The attached Exhibit A contains restrictive covenants and conditions which apply to the same and which have been agreed to by the purchaser. The sale would serve to increase the tax base of the City of Winston-Salem and increase opportunities for employment.

MTB3 is seeking to acquire the land at 310 Martin Luther King, Jr. Drive and construct the 310 MLK Apartment and Retail Complex in Winston-Salem, North Carolina. MTB3 proposes to construct a 3-story, 33,000 sq. ft., Class A mixed-use building, with 4-6 retail units on the first floor and 24-28 residential units on the second and third floors. The apartment homes will ideally be marketed to college students attending local universities in the area, small families

Committee Action:

Committee	<u>Finance 6/10/19</u>	Action	<u>Approval</u>
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For	<u>Unanimous</u>	Against	<u></u>
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Remarks:

and young professionals who work downtown. A possible partnership with local universities will be pursued to get qualified students to occupy some of the apartments. In addition, 5% of the units will be offered at Work Force Housing rates. The retail spaces will be filled by potential major retailers. A search for major retailers has already begun, with at least four interested business owners willing to come to the table once the purchase of the land for this project has been confirmed. The construction team estimates nine months to complete the construction. The developers would like to open the complex in Fall, 2020 or Spring, 2021. The total cost of the project is approximately \$5,500,000. MTB3 has provided additional information in the attached Exhibit B.

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 property, the amount and terms of the offer, and a notice that within 10 days of the notice any person may raise the bid by not less than 10% of the first \$1000 and 5% of the remainder, to be published, and without further authorization of the Mayor and City Council, shall re-advertise the offer at the increased bid; and this procedure shall be repeated until no further qualifying bids are received, at which time the Mayor and City Council may accept the offer and sell the property to the highest bidder or reject any and all offers. In the event that no upset bid is received, the property will be sold to MTB3 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 Tax PIN 6835-67-8187 known as 310 Martin Luther King, Jr. Drive for \$110,700 to MTB3 Properties, LLC or its assigns as herein stated under the upset bid procedure.