

## City Council – Action Request Form

**Date:** December 11, 2017

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**To:** The City Manager

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**From:** S. Kirk Bjorling, Real Estate Administrator

**Council Action Requested:**

Consideration of a Resolution Releasing the Deed Restrictions on a 1.5 Acre Portion of the 20 Acre Parcel of Land Sold to Greater Tabernacle Worship Center on March 25, 2013, the Authorizing of a Grant to Greater Tabernacle to Carry out Certain Public Purpose Programs, and the Granting of an Access Easement on City-owned Property to Spring Hill Land Trust (Northeast Ward)

**Strategic Focus Area:** Economic Vitality and Diversity  
**Strategic Objective:** Promote Commercial Development in Economically Disadvantaged Areas  
**Strategic Plan Action Item:** No  
**Key Work Item:** No



**Summary of Information:**

On August 20, 2007, the City Council authorized the sale of 33.14 acres of vacant land on Old Walkertown Road to Tabernacle of Faith Church of the United Evangelical Outreach Ministries, Inc. (Tabernacle Church) based on N.C.G.S. 160A-269, an upset bid procedure. The agreed upon sale price was \$594,000. The church planned to use the property for a multi-purpose arena, training center, retirement housing, and new sanctuary. On July 19, 2010, the City Council authorized an amendment to the original sale agreement. Tabernacle Church requested that their name be removed from the sales contract and replaced with the name Tabernacle Community Development Corporation (Tabernacle CDC). In addition, Tabernacle CDC requested an 18 month extension to the original contract which would allow them time to obtain financing to purchase the 33.14 acre tract of land. On March 26, 2012, the City Council authorized allowing Tabernacle CDC an additional six months extension until September 26, 2012 to obtain financing for the previously approved purchase of 33.14 acres of land. On August 20, 2012, Tabernacle CDC requested, and City Council approved, a modification of the previously approved sale conditions. This modification decreased the amount of land sold from 33.14 acres to 20 acres and the sale price decreased from \$594,000 to \$360,000. The per acre sale price

**Committee Action:**

<b>Committee</b>	Finance 12/11/17	<b>Action</b>	Approval
<b>For</b>	Unanimous	<b>Against</b>	

**Remarks:**

remained the same at \$18,000 per acre. As part of the sale modification, Tabernacle CDC also requested a three month extension, until December 26, 2012, to obtain financing.

On March 25, 2013, the City Council reduced the sale price to \$200,000 or \$10,000 per acre and determined that the sale would be based on N.C.G.S. 160A-279, a sale to an entity carrying out a public purpose. The entity's name was changed from Tabernacle CDC to Greater Tabernacle Worship Center (Greater Tabernacle). Since the sale was authorized to an entity carrying out a public purpose, a number of restrictive covenants or conditions were placed on the sale to ensure that the property would be put to a public purpose use by Greater Tabernacle. Upon completion of a facility to be built on the site, Greater Tabernacle committed to providing a public purpose the programming listed in attached Exhibit A.

The purchase of the 20 acre site was closed on August 27, 2013. One of the conditions of the sale was that Greater Tabernacle would have construction of the new facility completed, a Certificate of Occupancy acquired, and the programs for the benefit of the public implemented, to the satisfaction of the City, within 36 months of the deed filing, or by August 27, 2016. The required conditions were not met, but on August 21, 2017, Greater Tabernacle requested and received from the City Council an additional three year extension of time to complete the construction of the facility as provided in the deed of purchase.

Greater Tabernacle has negotiated a contract with Spring Hill Land Trust (Spring Hill) to sell for \$300,000 a 1.5 acre portion of the 20 acres purchased from the City in 2013. The site would be used by Spring Hill for the construction of a Dollar General Store. When the City sold the 20 acre parcel to Greater Tabernacle for \$200,000, or \$10,000 per acre, it was based on a sale to a non-profit entity carrying out a public purpose and; thus, the sale did not go through the upset bid process. Deed restrictions were placed in the deed which restricted the use of the land to certain public purposes. In order for Greater Tabernacle to re-sell a portion of the land now for a profit, it is necessary that the restrictive covenants on the 1.5 acre parcel be released by the City in order to accommodate the sale. The original restrictive covenants will endure on the remaining 18.5 acres. Since the original sale was to a non-profit entity carrying out a public purpose, and the sale did not go through the upset bid process, Greater Tabernacle has offered to pay the City the difference in the current appraised fair market value of \$295,000 and pro-rated purchase price of the 1.5 acres at the time of purchase of \$15,000, or a total of \$280,000.

In recognition of the reimbursement to the City of the increase in fair market value, Greater Tabernacle is requesting a grant from the City in the amount of \$280,000 to carry out the original public purpose programming summarized in the attached Exhibit A. A copy of the letter from Greater Tabernacle requesting the grant is attached as part of Exhibit A as well. A condition of the purchase contract between Greater Tabernacle and Spring Hill requires the City of Winston-Salem to provide access to the project from Motor Road by way of an access easement of approximately 8,350 sq. ft. on the City's adjoining property identified as Tax PIN 6847-17-0802 and Spring Hill has offered the sum of \$15,000 for the access easement.

The attached resolution authorizes the release of the deed restrictions on a 1.5 acre portion of a 20 acre tract, the authorization of a grant to Greater Tabernacle for \$280,000 to carry out certain public purpose programs, and the granting of an access easement for \$15,000 on the City's

adjoining property which would assist in the construction of a Dollar General Store as specified herein.