

City Council – Action Request Form

Date: August 8, 2022

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

From: Ben Rowe, Assistant City Manager
Ken Millett, Economic Development Director

Council Action Requested:

Resolution Allocating Proceeds From the Previous Sale of City-Owned Property to Economic Development Infrastructure at Motor Road/Old Walkertown Road

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:

In August 2013, Greater Tabernacle Worship Center (GT) purchased 20 acres of land at Motor Road and Old Walkertown Road from the City for \$200,000 (\$10,000 per acre). The sale was authorized by N.C.G.S. 160A-279 which allows for the sale to a non-profit entity carrying out a public purpose. Deed restrictions were included to restrict the use of the land to certain public purposes, including GT’s plans to construct a multi-purpose facility for community programs. The restrictions also included deadlines to complete construction, receive a certificate of occupancy, and initiate programming.

GT subsequently negotiated a contract to sell a 1.5 acre section for \$300,000 to a developer for locating a Dollar General. In order for Greater Tabernacle to re-sell a portion of the land for a profit, the restrictive covenants on the 1.5 acre parcel were released by the City in return for GT paying the City fair market value for the applicable acreage. In 2017, the City agreed to the difference in the sales price to Dollar General and the pro-rated purchase price of the original acreage of \$15,000 for a total of \$285,000. City Council also agreed to GT’s request for a City grant in the amount of \$285,000 in order to carry out the original public purpose of the facility.

Committee Action:

Committee	Finance 8/8/22	Action	Approval
For	Unanimous	Against	

Remarks:

In 2019 GT was required to satisfy in full the deed of trust with the primary lender on the original purchase of the 20 acre. The City agreed to paid off the balance of GT's loan with the bank in return for GT relinquishing control of the \$300,000 sales price for the Dollar General property. The balance of funds was placed in escrow to be used for the public purpose outlined in the deed restrictions. GT then conveyed to the City a first lien deed of trust on the remaining tract of ~18.5 acres (original 20 acres less the 1.5 acres for Dollar General).

The deadline requiring facility construction and programming implementation expired in August of 2020, thus allowing conveyance of the ~18.5 acres back to the City. In July of 2022, the Superior Court granted the City's motion to retake possession of and title to the property.

The City also owns the adjacent parcel along Motor Road, providing an approximate 31-acre contiguous property. City staff have been working with the Council Member of the Northeast Ward on a vision for both retail—specifically a grocery store—and residential development. Jordan Consultants was retained by the City for a conceptual site plan incorporating these mixed uses, and the plan is nearing completion. Staff intends to issue a Request for Proposals for the sale and development of the remaining acres, with an outline of requirements targeting both a grocery store and a residential component.

The previously referenced escrow account has a balance of \$108,900. Staff recommend that the proceeds from the sale be deposited in the Economic Development Project Fund for future investments in Economic Development Sites/Infrastructure serving the Motor Rd./Old Walkertown Rd. site. It is expected that constructing infrastructure to the property will increase the attractiveness to potential developers.