

**RESOLUTION AUTHORIZING MODIFICATIONS TO A PREVIOUSLY APPROVED  
DOWNTOWN REDEVELOPMENT PROJECT WITH GRUBB PROPERTIES**

**WHEREAS**, on March 27, 2017, City Council authorized the City to provide up to \$1,650,000 financial assistance to Grubb Properties to help offset the cost of the demolition of the old six story GMAC Building; and

**WHEREAS**, it has been determined that two modifications are required to the original approval; and

**WHEREAS**, the City of Winston-Salem continues to be interested in participating in this project because of the public benefit created for its citizens and it is supported by the Downtown Plan, The Legacy Comprehensive Plan, and the City of Winston-Salem Strategic Plan.

**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 pursuant to N.C.G.S. 160A-458.3, the City shall provide a grant of up to \$165,000/year for ten years to help offset the cost of the demolition of the six story GMAC Building with the following modifications:

- 1) The number of units will be approximately 225 and the minimum number of units will be at least 220 with the total project cost being approximately \$45,000,000.
- 2) The first City annual incentive payment would not begin until July 1 following the calendar year after the first payment of 100% of the ad valorem tax value for the completed project. The remaining nine (9) installments will be paid on or about July 1st of each consecutive year thereafter.
- 3) The assignment language will revised to read as follows: "This Agreement shall not be assigned without the prior written consent of the City, which consent shall not be

unreasonably withheld, conditioned or delayed so long as such proposed assignee owns, operates or manages other multifamily properties similar in size and operations to the Project and the proposed assignee can demonstrate to the satisfaction of the city that it has the financial capacity to assume and continue the Project.”

- 4) The provision regarding audited financial statements will be revised: (i) to indicate that the property owner will furnish the city with a copy of its annual internally prepared balance sheet and income statement certified by its director of finance, as soon as it becomes available to it, but not later than six months following the fiscal year end for the property owner and (ii) to indicate that said balance sheets and income statements are to be marked and treated as confidential pursuant to N.C.G.S. Section 132-1.2 to the fullest extent permit by law.

**BE IT FURTHER RESOLVED**, that all other original conditions shall remain unchanged and that the Mayor and City Council hereby authorize the City Manager, City Attorney, and City Secretary to take such actions as may be necessary for the execution of a Downtown Development Agreement with Grubb Properties or one of its subsidiaries.