

**MECKLENBURG COUNTY
BOARD OF COMMISSIONERS**

**RESOLUTION APPROVING THE FOURTH AMENDMENT TO THE
BROOKLYN VILLAGE/KNIGHTS BASEBALL STADIUM INTERLOCAL
COOPERATION AGREEMENT BETWEEN THE COUNTY AND THE CITY,
AND AUTHORIZING NEW INTERLOCAL AGREEMENTS AMONG THE
COUNTY, THE CITY, THE BOARD OF EDUCATION, AND THE HOUSING
AUTHORITY**

WHEREAS, Mecklenburg County (“County”) and the City of Charlotte (“City”) have previously entered into that certain “Brooklyn Village / Knights Baseball Stadium Interlocal Cooperation Agreement” approved by the City on May 14, 2007 (the “Interlocal Agreement”); and

WHEREAS, the County and the City amended the Interlocal Agreement effective as of December 7, 2007 (“First Amendment”) to defer the time for closing on the sale of certain real property by the County to Brooklyn Village LLC (the “Second Ward Property”); and

WHEREAS, the County and Brooklyn Village LLC entered into an Agreement of Sale for County Property dated January 17, 2008 (the “Sales Agreement”) under which the County agreed to sell the Second Ward Property to Brooklyn Village LLC; and

WHEREAS, the County and Brooklyn Village LLC amended the Sales Agreement effective September 8, 2010 to defer the time for closing under the Sales Agreement; and

WHEREAS, by agreement dated October 11, 2011, Brooklyn Village LLC assigned its rights as Buyer under the Sales Agreement to Spectrum Investment Services, Inc. (“Spectrum”), as allowed by the Sales Agreement; and

WHEREAS, the County and Spectrum amended the Sales Agreement effective as of November 20, 2012 to extend the time for Spectrum to close on purchase of the Second Ward Property to June 1, 2013 (the “Second Extension to Sales Agreement”); and

WHEREAS, the County and the City amended the Interlocal Agreement effective as of January 29, 2013 (“Second Amendment”) to defer the time for closing on the sale of the Second Ward Property by the County to Brooklyn Village LLC (the “Second Ward Property”) until June 1, 2013; and

WHEREAS, Brooklyn Village LLC did not close on the sale of the Second Ward Property by June 1, 2013, and thereby lost its right to purchase the Second Ward Property; and

WHEREAS, the Interlocal Agreement, as amended through the Third

Amendment, provides in Section 2.04(b) that should the County not sell the Second Ward Property to Brooklyn Village LLC by October 1, 2013, the City could require the County to re-convey Marshall Park to the City if the City provides notice to the County to do so within sixty (60) days; and

WHEREAS, the County did not sell the Second Ward Property to Brooklyn Village LLC by October 1, 2013; and

WHEREAS, the County believes that it can find a purchaser within the next year for just the apartment parcel (one of three parcels to be sold from the Second Ward Property) even though it believes that it cannot currently find a purchaser for all three of the parcels, and has completed work on a proposed term sheet among the County, the City, the Charlotte-Mecklenburg Board of Education (“CMBE”), and the Housing Authority of the City of Charlotte, NC (“ Authority”) for a phased sale approach, with just the apartment parcel to be sold initially; and

WHEREAS, in order to provide the necessary time for the County, the City, CMBE, and the Authority to finalize the terms for the phased sale approach, and to preserve the right of the City to require re-conveyance of Marshall Park should this phased sale approach not be acceptable to all parties, the City and the County desire to amend the Interlocal Agreement to change the October 1, 2013 date to April 1, 2015, and to provide that the County cannot sell any of the former Marshall Park property until there has been either a further amendment of the Interlocal Agreement or a new interlocal agreement dealing with Marshall Park is approved and executed; and

WHEREAS, the provisions of the original 2007 Brooklyn Village/Knights Baseball Stadium Interlocal Agreement are obsolete except for the provision relating to the possible re-conveyance of Marshall Park to the City; and

WHEREAS, new interlocal agreements among the County, the City, CMBE and the Authority consistent with the business terms outlined in Attachment 1 will be necessary; and

WHEREAS, N.C. Gen. Stat. 160A-461 requires that interlocal agreements “be ratified by resolution of the governing board of each unit spread upon its minutes”; now, therefore, be it

RESOLVED by the Mecklenburg County Board of Commissioners that the Board authorizes the County Manager to execute the “Fourth Amendment to Brooklyn Village / Knights Baseball Stadium Interlocal Cooperation Agreement” in substantially the form presented to the Board of Commissioners with such technical corrections and minor modifications as he may deem necessary consistent with the spirit and intent of the transaction described herein; and that the Board does hereby authorize the County Manager, or his designee, to negotiate and execute interlocal agreements among the County, the City, CMBE and the Authority, consistent with the business terms outlined in Attachment 1.

Adopted the _____ day of November, 2013

Approved as to Form:

County Attorney

Clerk to the Board

(SEAL)

ATTACHMENT 1

NON-BINDING TERM SHEET FOR THE SALE OF PROPERTY AND DEVELOPMENT OF BROOKLYNVILLAGE AMONG MECKLENBURG COUNTY, NC (“COUNTY”), THE CITY OF CHARLOTTE, NC (“CITY”), THE CHARLOTTE-MECKLENBURG BOARD OF EDUCATION (“CMBE”), AND THE HOUSING AUTHORITY OF THE CITY OF CHARLOTTE, NC (“AUTHORITY”)

August 28, 2013

This document outlines the terms for an agreement, the details of which were discussed in previous staff meetings and communications, regarding the sale of property and development of the Brooklyn Village Tract in Second Ward (Exhibit A). The terms listed below will form the basis for future formal agreements between or among the parties and is predicated on any necessary approvals by the respective governing body of each entity.

- 1) County will:
 - a) Offer for sale and development parcels identified as Parcels 1, 2, & 3 on Exhibit A (“BV Parcels”). BV Parcels may be sold individually or in combination, depending on market conditions.
 - b) Perform hazardous material abatement for the existing Board of Education Center using proceeds from the sale of BV Parcels as a funding source.
 - c) Design and construct infrastructure improvements (rerouting of existing drainage pipe, removal of fountain etc., grading, and road construction) as needed for proposed development using proceeds from the sale of BV Parcels as a funding source. Some infrastructure improvements may be implemented incrementally with the sale of BV Parcels.
 - d) Compensate CMBE for the Education Center property as follows:
 - i. First Installment. A first installment payment of Seven Million Dollars (\$7,000,000) for the purchase of a to-be-determined office building or buildings as replacement for the Education Center and other educational or administrative purposes as determined by

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CMBE. This first installment shall be paid no later than July 31, 2014. The source of funds shall be County "pay-go" funds not currently allocated for CMBE purposes.

- ii. Subsequent Installments. Additional installment payments of the remainder of the purchase price. Additionally, installments shall be paid upon the earlier of (i) the sale of any BV Parcels or (ii) July 31, 2018. The source of funds shall be either (a) County's net proceeds from the sale of a BV Parcel ("County's net proceeds" meaning County's revenues from the sale of a BV parcel less the County's actual costs of necessary infrastructure improvements contemplated by subsection 1(c) above) or (b) County "pay-go" funds not allocated for CMBE purposes or other funding source that does not supplant funding for CMBE.

The total purchase price payable from County to CMBE for the Education Center shall be the greater of \$16,330,000 (current appraised value) or the value determined by an updated appraisal obtained within three (3) months of final payment from County to CMBE.

County and CMBE shall enter into a formal amendment to the Brooklyn Village Interlocal Agreement (and Section 3 of the "Agreement Regarding Certain Joint Land Transactions between the Charlotte-Mecklenburg Board of Education and Mecklenburg County") to confirm this agreement which shall be approved by both the Board of County Commissioners and the Board of Education.

- e) County staff will submit a request to the Board of County Commissioners for funding in the FY2018 Capital Improvement Program for the design & construction of a new 1.6 acre park bounded by the proposed S. Alexander St, James Marshall Drive, S. Myers St., and Martin Luther

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King, Jr. Blvd., and for the design & construction of a linear park along 3rd Street as such parks are shown on Exhibit A.

- 2) City will:
 - a) Work with the County to either amend the “Brooklyn Village/Knights Baseball Stadium Interlocal Cooperation Agreement” or enter into a new agreement to achieve the following:
 - i. Extend the date for activation of the Reversion Option to convey Marshall Park property back to the City to December 31, 2019 in the event none of the BV Parcels are sold.
 - ii. Describe the acceptable development of the BV Parcels by one or more buyers and developers of the BV Parcels.
 - iii. Describe the purchase and development of BV Parcels and necessary infrastructure to allow an incremental approach for sale of BV Parcels to different developers at different times.

- 3) CMBE will:

Agree to amend the Brooklyn Village Interlocal Agreement (and Section 3 of the “Agreement Regarding Certain Joint Land Transactions between the Charlotte-Mecklenburg Board of Education and Mecklenburg County”) as provided in Section 1.d., above

- 4) Authority will:
 - a) Agree to enter into a new agreement with the County, City, and buyer of Parcel 1 under similar terms and conditions as the “Restated Brooklyn Village Affordable Housing Agreement and Declaration of Restrictive Covenants.”

