

RESOLUTION AUTHORIZING THE CITY OF GREENSBORO TO ISSUE A REQUEST FOR PROPOSALS FOR PHASE II OF THE SHOVEL READY SITE LOAN PROGRAM AND A CITY INVESTMENT OF UP TO \$1,200,000 TO BE USED FOR GRADING OF QUALIFIED INDUSTRIAL SITES. THE FUNDING SOURCE IS EXPECTED TO BE 2006 ECONOMIC DEVELOPMENT BOND FUNDS.

WHEREAS, the City Council of Greensboro has identified a need to increase the inventory of shovel-ready industrial sites to attract new industry and jobs;

WHEREAS, the City of Greensboro intends to solicit proposals from private developers for assistance in bringing industrial sites meeting certain standards to shovel-ready status;

WHEREAS, the maximum amount of loans for industrial site grading will not exceed \$1,200,000 and will be funded from the voter approved 2006 Economic Development Bond;

WHEREAS, loans will be made based on site need and until all funds are expended by the City or the program is discontinued by the City;

WHEREAS, a condition of the loans will be compliance with all applicable requirements and solicitation of bids in compliance with N.C.G.S. Chapter 143, Article 8, Public Contracts, and in compliance with the City of Greensboro Minority/Women Business Enterprise Program Plan for Construction, Professional Services, Goods, and Other Services dated January 1, 2014 (the "M/WBE Plan");

WHEREAS, the loans will bear interest at a fixed rate equivalent to the 5 year treasury bond + 50 basis points annually compounded quarterly to be set as of the date of closing of the loan;

WHEREAS, participation in bringing the sites to shovel-ready status is expected to have a positive impact on employment, reduction of crime, and the viability and quality of life in City of Greensboro;

WHEREAS, the developers who respond to a Request for Proposal are required to confirm compliance with the following conditions prior to the City's loan closing to protect the public funds invested in the project;

- 1) Funds are to be used for the grading of industrial sites.
- 2) Site must be entered into the state's Access NC inventory of available development sites.
- 3) Maximum program amount is \$1,200,000.00.
- 4) Developer must own or have an option to buy the site being submitted for consideration.
- 5) Site must be owned by the developer before the loan can close.
- 6) Sites must be at least 30 developable acres.

- 7) No principal or interest payments will be due until the earlier of: (1) the date of sale of the land, or (2) 5 years after the date of the loan's closing if the developer elects to not hold the land for sale for a pre-negotiated price.
- 8) Site must be in the City of Greensboro, in an area that can be annexed, or the developer will be required to work out revenue sharing agreement with the City and County.
- 9) Site must be available for sale to an industrial user and developer must agree to a maximum price per acre not to exceed the current appraised value of the land with the improvements made with the City's loan or alternatively agree to begin repaying the loan and capitalized interest after 5 years from the date of disbursement.
- 10) In all cases, the loan plus accrued interest is required to be paid in full at the time of the sale of the property.
- 11) Site owner will be required to guarantee the City's loan with a full and unconditional personal and/or corporate guarantee.
- 12) Site must have a current Phase I environmental assessment that is acceptable to the City.
- 13) Title insurance must be provided to the City.
- 14) Site owner must have at least 10% equity in the site.
- 15) City will complete a title search confirming the existence of any additional liens that are outstanding on the property that will secure the City's loan.
- 16) City loan will be secured by a note and deed of trust with the City's interest secured by no more than a 2nd lien on the real property and improvements
- 17) Developer will be responsible for all closing costs associated with perfecting the City's secured interest to include any external attorney fees, a title search, title insurance, etc.
- 18) Future development on the site will be required to create at least 1 full-time equivalent positions for every \$50,000 borrowed.
- 19) Violation of any of these conditions will constitute the loan being in default at which time the loan will become immediately due and payable in full if the default is not cured within 30 days from the date the borrower is notified in writing of the default.
- 20) Developer will be required to adhere to City of Greensboro MWBE program plan and guidelines in the award of all contracts associated with the use of the City loan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the City Manager is authorized to issue a request for proposals for Phase II of the Shovel Ready Sites Loan Program.