
REDEVELOPMENT



COMMISSION

MEMO

To: Redevelopment Commission Members

From: Tom Wisemiller, Economic Development Project Coordinator

Date: January 29th, 2015

SUBJECT: Redevelopment Commission Meeting

The Redevelopment Commission is scheduled to meet for a regular business meeting on Tuesday, February 2nd, 2016 at the Greenville City Hall.

The first three main business items of the meeting pertain to the Uptown Theatre:

- Staff will provide the RDC a history of Center City Bond funds that RDC contributed toward acquisition of the property and other activities associated with the Uptown Theatre.
- Staff will request that RDC formally accept the \$125,000 RLF brownfields sub-grant to remediate environmental conditions at the theater property, as discussed at the January 2016 RDC meeting (please see attached draft copy of the Sub-Grant Agreement between the RDC and the Eastern North Carolina Brownfields Coalition).
- Finally, staff will request that the RDC approve the Letter of Intent between the RDC and Community Smith, LLC, which is proposing to renovate the theatre. The City Manager negotiated on RDC's behalf, as the project would involve additional commitments from the City (see attached copy of the draft LOI).

In addition, Go Science staff and Board members will be presenting to the RDC its three-month progress report. RDC requested that Go Science make that report as a condition of granting GO Science a six-month lease extension.

We look forward to seeing you at the meeting. If you have any questions or need additional information, please call me at 329-4514.

DOC #994648

Redevelopment Commission Meeting
Tuesday, February 2nd, 2016 ~ 5:30 PM

City Council Chambers ~ 200 West 5th Street

Agenda

- I. Welcome
- II. Roll Call
- III. Approval of Minutes – January 5th, 2016
- IV. Uptown Theatre Financial Report
- V. Consideration of Uptown Theatre RLF Sub-grant Award and Grant Agreement
- VI. Consideration of Uptown Theatre Development Plan – Letter of Intent
- VII. Public Comment Period
- VIII. Go Science Progress Report
- IX. Hodges Alley Project Estimates
- X. Report from Secretary
 - a. Monthly Financial Report
- XI. Comments from Commission Members
- XII. Adjournment

DRAFT OF MINUTES PROPOSED FOR ADOPTION
Redevelopment Commission
Meeting Minutes
Tuesday, January 5, 2016
Greenville, North Carolina

Present:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Angela Marshall | <input checked="" type="checkbox"/> Tracie Gardner | <input checked="" type="checkbox"/> Sharif Hatoum |
| <input checked="" type="checkbox"/> Jeremy King | <input checked="" type="checkbox"/> Patricia Dunn | |
| <input checked="" type="checkbox"/> Judy Siguaw | <input checked="" type="checkbox"/> Richard Patterson | |

Absent:

- | | | |
|--|--|--|
| <input type="checkbox"/> Angela Marshall | <input type="checkbox"/> Tracie Gardner | <input type="checkbox"/> Sharif Hatoum |
| <input type="checkbox"/> Jeremy King | <input type="checkbox"/> Patricia Dunn | |
| <input type="checkbox"/> Judy Siguaw | <input type="checkbox"/> Richard Patterson | |

Staff:

- | | |
|---|---|
| <input type="checkbox"/> Merrill Flood | <input checked="" type="checkbox"/> Casey Verburg |
| <input checked="" type="checkbox"/> McClean Godley (City Council Liaison) | <input checked="" type="checkbox"/> Christian Lockamy |
| <input checked="" type="checkbox"/> Roger Johnson | <input checked="" type="checkbox"/> Betty Moseley |
| <input checked="" type="checkbox"/> Tom Wisemiller | <input type="checkbox"/> |
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I. Welcome

II. Roll Call

III. Approval of Minutes – November 3, 2015

Motion was made by Ms. Dunn and seconded by Ms. Siguaw to approve the meeting minutes from November 3, 2015 as presented. Motion carried unanimously.

IV. Introductions: New Redevelopment Commissioner; New Economic Development Manager

Mr. Wisemiller introduced the new Redevelopment Commissioner Traci Gardner and the new Economic Development and Revitalization Manager, Roger Johnson.

Ms. Gardner gave a brief biography.

Mr. Wisemiller stated that Mr. Johnson has given staff some new priorities and projects. He also introduced Ms. Verburg and Mr. Lockamy, the other team members.

V. Consideration of Small Business Plan Competition Grant Recommendations

Future Scholars is a developmental enrichment center.

Ms. Siguaw stated that only one application was received. Others were interested but did not make the deadline.

Ms. Verburg gave a brief overview of the Small Business Plan Competition grant. The subcommittee meets twice a year. It is for small businesses looking to locate or relocate or expand in the Uptown West Greenville Area. They can get \$15,000 or \$30,000 depending on investment in the community or buying a building or up fitting it. Existing businesses must show a new product or service and new businesses are just looking to locate in the area. We do this in July and December. December does typically have fewer applicants probably due to holidays and the time frame. Applicants can reapply if they were not funded on the first round.

Mr. King asked if there was a waiting period between being denied and reapplying.

Ms. Verburg replied that the guidelines had changed. Prior they had to wait a whole year before reapplying. One applicant applied this round. They are located in West Greenville on 310 B Pennsylvania Avenue. The business is named Future Scholars. The applicant is Mr. Embry Gibson. Mr. Gibson is seeking \$15,000 to help expand the business, which is a development enrichment center.

Ms. Siguaw stated that the committee is a worthwhile concept. They were very enthusiastic. However, there were some problems with business model. Mr. Gibson was not as concerned about making a profit as he was helping the children, however for the competition, the business must be profitable. The subcommittee does not recommend funding Future Scholars.

Ms. Siguaw made the recommendation that the Redevelopment Commission not award this applicant. There will not be any awards made this round.

Motion was made by Ms. Siguaw and seconded by Ms. Marshall to not award funds to the small business plan competition applicant. Motion carried unanimously.

VI. Update on the Hodges Alley Project

Mr. Wisemiller gave a brief background on the Hodges Alley project and delineated the location. RDC previously used bond funds to complete Cotanche/Reade streetscape improvements and upgrade Hodges parking lot. One section of the alley, which is owned by the City, was not included in those improvements. In November of 2015, staff presented a design concept to the RDC for the alley improvement. The next step was to get cost estimates for two proposals (brick or pavement) from Tripp Brothers. The proposal is not back yet but we do have the topographical analysis was just completed by the PWD. Staff is analyzing the topographical to complete the cost estimates.

Ms. Siguaw made the suggestion to close the driveway so people wouldn't try to turn there. That way the sidewalk curbing would go all the way across.

Mr. Wisemiller replied that he would pass along the suggestion.

Mr. King asked if procedures were required to close the alleyway to vehicles.

Mr. Wisemiller replied that he didn't think so. It is discouraged now, but there are no citations if they do park there.

VII. Public Comment Period

No comments received.

VIII. Update on the Uptown Theatre Project

Mr. Wisemiller stated that one of the first steps to get the building stabilized. There are some environmental concerns that were found during the last environmental assessment. The City's application for a \$125,000 subgrant from the Revolving Loan Fund program was approved by the EPA. This is a partnership between the City of Greenville, the City of Wilson and the county in that region. We are applying for our own grant but it goes through the EPA committee for review. Indications are that it will be successful. EPA requirements for any Brownfields grant is that it goes through an Analysis of Brownfields Cleanup Alternatives (ABCA) and Community Involvement Plan (CIP). The bid package for the remediation and stabilization services will be sent out next week for advertising and to targeted contacts to engineering firms that specialize in this type of work. Preliminary bids are due January 20 and final bids due in early February.

Mr. King asked if staff had any estimates for the theatre from prior analysis.

Mr. Wisemiller replied yes, an analysis had done a while back to determine the cost of removing the asbestos and lead-based paint. These two are linked together and must be stabilized at the same time or contamination could occur. To use the funds they must be eligible expenses. \$125,000 should be the high end.

Mr. King asked if this was a subgrant that had to be paid back.

Mr. Wisemiller replied that this grant will not have to be paid back. The entire revolving loan fund program from the EPA to the partnership is \$1 million. Most of that would go out to private developers and property owners that want to redevelop Brownfields projects. When a private entity does it, then it is a loan. The program participants can apply out of their own fund to do a subgrant.

Mr. King asked if the subgrant reduced the \$1 million balance.

Mr. Wisemiller replied yes it will reduce it. However, even with a small interest percentage, the fund will build up over time.

Mr. King stated that he was for the theatre project if it was feasible. He asked for a rundown for the amount spent on the theatre. It might not be wise to save the theatre. Before we approve any more money to be spent this board needs to know that it is worth saving.

Ms. Marshall asked what determines we can't do it. Have we already reached the point that there is no return? This project seems to be creeping along.

Mr. King stated that if there are new stabilization problems with it, then regardless of how pretty it is, then maybe it needs to come down. We all want a downtown theatre, but this one may not be cost effective or a good use of taxpayer funds.

Mr. Wisemiller replied that the RDC portion that was set aside for this project was about \$180,000. Some of that may have been spent on auxiliary funds. As far as the \$125,000, if the building were to be removed, we would have to spend that amount anyway to abate the asbestos and lead-based paint. It has been a challenge for partnerships to spend all of the revolving loan funds.

Mr. King asked if that meant that there was not much demand for the revolving loan fund.

Mr. Wisemiller replied correct.

Mr. King stated that if the goal was demolition then we could sell it to a third party for the demolition cost and save money. The goal has always been to rehabilitate this building, but this building is not cost effective or worth rehabilitating. We could give it to someone, let them tear it down and they pay remediation. The taxpayer funds are set aside. Then they can use private dollars to build something there. I don't want to lose the theatre, but it's dictated by the cost.

Mr. Patterson asked if there was a plan B option where you could demolish it and start new or even get a third party come in and build.

Mr. Wisemiller replied that there was not an active alternative option at this time. Maybe down the road someone would be willing to consider that, but we still need to stabilize the building in the short term.

Ms. Dunn asked what the next step was after the stabilization. Someone in the private sector does want it, correct?

Mr. Wisemiller replied yes, they were exploring a project to reuse it now.

Mr. Hatoum asked if it was the same outfit as before.

Mr. Wisemiller replied yes. There are a number of financial mechanisms to help in exploring ways to preserve this theatre.

Mr. Patterson asked if they are ready to move in after this phase.

Mr. Wisemiller replied that they were eager to get started once the deal is done.

Mr. King stated that he would like to see the details of the deal before spending any more funds on it. It is true that the legislator did authorize historic tax credits, and this building would most likely be eligible. However, I don't want to stabilize the building only to have someone else need to stabilize it again in five years. I would like a tenant or a sale in place first before I authorize another dollar.

Mr. Wisemiller asked if he was referring to new money or the money that has already been authorized.

Mr. King replied that he was referring to the new money. We do have money in the budget that we authorized over two years ago. We have worked very hard; we even had the zoning ordinance changed for a theatre. In this public/private partnership it is time for the private partner to make some commitment

Ms. Marshall stated that the committee authorized it two years ago. After two years the authorization could be null and void, right?

Ms. Siguaw asked if the theatre was planning to rent and not purchase the property.

Mr. Wisemiller replied correct.

Mr. King stated that the Lincoln Theatre was planning to rent it but another private entity was planning to purchase it. It will definitely require some public/private partnership. They can't get it to where they need it without our help. He stated that he wanted to see results.

Ms. Marshall stated that she wanted to revisit whole thing. If it was two years ago, bring the board up to date. Also, how committed are these individuals.

Mr. Hatoum stated he wanted to see the amount spent and any amounts appropriated.

Mr. King stated the he wanted to see the cost from acquisition and any other costs associated with it. The new member on the board would probably want to get up to date on it too. The theatre could be great, but he wants some definition.

Ms. Siguaw stated that she wanted to know how soon it would be occupied. Otherwise it will sit vacant.

Mr. Wisemiller stated that the plan would be to move forward. Staff will come back with history, expenses, improvements, studies, and any other expenses for this property. Also the board will be involved with any additional commitments.

Ms. Dunn asked if the people who wanted to purchase it earlier still wants to purchase it. Did they still have a real, strong, viable interest in purchasing it?

Mr. Wisemiller replied yes.

Mr. Patterson asked that staff revisit the parties that are still interested and the process, including the Brownfields part.

IX. Announcement: Public/Stakeholder Meetings for the Town Common Phase-I Development

Mr. Wisemiller stated that a flyer had been given to the committee regarding a public/stakeholder meeting for the Town Commons Phase I Development. The open house/drop-in meeting is January 12, 2016 at the Third Street Community Center. A master plan for the Town Commons was done about six years ago. Also a Tar River Legacy Plan was done a couple years ago. This is the next phase to take the master plan and get it about 60% designed and concentrate on some new investments and improvements. The stakeholder meeting is on January 11th at 3:00–4:30 p.m. They would like to invite two or three RDC members to participate.

Ms. Dunn stated that she wanted to know every single meeting being held regarding the town commons. This is public property and all meetings need to be open to the public. What is meant by stakeholder?

Mr. Wisemiller explained that the stakeholders are the people or properties in that area that will be impacted by any decisions regarding the town commons. This is a public meeting anyone can attend.

Ms. Marshall stated that anyone can attend but specific people are being invited to ensure there is a good representation of public interest.

Mr. King asked who is holding the meeting and where is this meeting being held.

Mr. Wisemiller replied that he did not have that information available at this time. He will get the answers to the committee on January 6th.

Ms. Dunn asked who was in charge of the meeting.

Mr. Wisemiller replied Marcus Morrison with the Recreation and Parks Department.

Ms. Siguaw asked if he was just looking for volunteers to attend the meeting.

Mr. Wisemiller replied yes.

Mr. Hatoum, Mr. King, and Ms. Dunn replied that they would attend. Mr. Patterson will be alternate.

X. Election of Officers

Ms. Marshall nominated Mr. Jeremy King for Chair.

Mr. King stated that it was not an office he seeks, but he will accept the nomination.

Nomination was seconded by Ms. Dunn. Motion carried unanimously.

Mr. King nominated Mr. Richard Patterson for Vice-chair.

Nomination was seconded by Mr. Hatoum. Motion carried unanimously.

XI. Report from Secretary

A. Monthly Financial Report

No report was given.

Mr. King asked if Mr. Flood was still contingent in position.

Mr. Wisemiller replied yes. He is still acting director.

XII. Comments from Commission Members

Ms. Siguaw wished everyone a Happy New Year.

Mr. Patterson wished everyone a Happy New Year.

Mr. King stated that he was pleased with the new Economic Development Manager. He feels we are a good team.

XIII. Adjournment

Motion was made by Ms. Dunn and seconded by Mr. King to adjourn the RDC meeting. Motion carried unanimously.

Respectfully submitted,

Signature on file

Thomas G. Wisemiller,
The Economic Development Project Coordinator
City of Greenville Community Development Department



To: Redevelopment Commission Members

From: Tom Wisemiller, Economic Development Project Coordinator

Date: January 27, 2016

SUBJECT: Acceptance of \$125,000 Brownfields Revolving Loan Sub-Grant to Support Remediation of the Uptown Theatre

Staff is requesting that the RDC formally accept a sub-grant in the amount of (up to) \$125,000 from the Eastern North Carolina Brownfields Coalition to support *environmental remediation* of the Uptown Theatre (formerly White's Theater). The Public Works Department is receiving competitive bid proposals from contractors that are qualified to complete building stabilization and remediation work associated with this project. Previously, the RDC had approved up to \$190,000 in Center City Bond funds to support *stabilization* of the building. Once the PWD has selected the winning firm, via a competitive bid process, they will negotiate with that firm on a contract.

Background: In May of 2014, the Environmental Protection Agency (E.P.A.) Brownfields Program awarded the City of Wilson, in partnership with the City of Greenville, a \$1,000,000 grant to support a revolving loan fund for the Eastern North Carolina Brownfields Coalition. The coalition also includes Pitt, Green, and Wilson counties. The revolving loan fund provides loans (to private property owners and brownfields redevelopers) and sub-grants (to coalition partners) to support cleanup activities for sites contaminated with hazardous substances and petroleum.

A goal of the City Council's *2014-2015 Strategic Plan* (updated in August of 2015) is to "continue discussions with partners to redevelop Uptown Theatre and with ECU to develop a performing arts center in Uptown Greenville." That goal is an extension of the RDC's and the City's past efforts to preserve and reuse the Uptown Theatre property as a community theatre or live performance venue. In 2014, Uptown Greenville issued an RFI on behalf of the RDC and the City seeking private sector partners to redevelop the Uptown Theatre as a live performance venue. Out of that process, the City identified a prospective private redevelopment partner and is negotiating with that partner on a redevelopment proposal.

Previously, Childress Environmental had completed an abatement plan for the property. Several environmental issues must be addressed for the property to have viable reuse potential: removal of asbestos, prepping of Lead Base Paint surfaces, partial removal of old chimney, removal of old tar and gravel roofing material, general demolition of auditorium sheet rock walls and ceiling tile and grid system, and general decontamination of interior building walls and floors of bird

contamination and mold. Regardless of how the property is ultimately dispensed and/or redeveloped, this environmental work must be completed.

In September of 2015, City staff applied for a \$125,000 sub-grant through that RLF program to support remediation of those conditions. The EPA Project Manager for this RLF program approved the City's application and then the RLF Review Committee, based in Wilson, approved the full amount of our grant request.

In addition to requiring environmental remediation, the structure is currently unstable. R.P.A. Engineering recently updated its structural analysis of the building. To stabilize the building, the chimney and fly loft must be removed and a new roof must be installed to prevent further damage. The Redevelopment Commission previously committed funds toward structural stabilization of the Uptown Theatre and it is expected that approximately \$165,000 of those funds will be needed to support the stabilization items for this project.

Because the building remediation and stabilization must be completed concurrently, the Public Works Department combined the building remediation and stabilization items under one bid package. Between the \$125,000 from the RLF and approximately \$165,000 from Center City bond funds (via the RDC), the combined \$290,000 in funding is expected to cover the full costs of the work. The bid package was advertised on January 8th, 2016, preliminary bids were received on January 20th, and final bids are due in early February. Once the contract is finalized between the winning bidder and the City, the contractor would have 120 days to complete the work.

Staff request: Staff is requesting that the Redevelopment Commission formally accept the \$125,000 sub-grant from RLF program so that those funds will be available to reimburse brownfields-eligible costs associated with the building remediation and stabilization and approve the attached Grant Agreement. If the RDC/City does not accept the funds, the City would have to allocate funds from another source to cover the full costs of the Uptown Theatre remediation and stabilization, or not go forward with the project. Given the current precarious condition of the building, delaying the stabilization project would put the historic structure in jeopardy. Moreover, failure to stabilize the building could pose risks to the City beyond just the loss of an historic structure.

Please see attached PDF copy of the draft sub-grant Agreement between the City and the Eastern North Carolina Brownfields Coalition). These grant funds are distributed to the City on a reimbursement basis. Subject to RDC approval of the sub-grant award, staff is requesting a budget amendment to pay for the up-front project costs that would be reimbursed by the grant.

Fiscal Note: Acceptance of the grant award does not require any additional financial commitment from the RDC and does entail any non-reimbursable fiscal outlays by the City.

Recommendation: Staff recommends that the Redevelopment Commission accept the Revolving Loan Fund sub-grant award from the Eastern North Carolina Brownfields Coalition in the amount of (up to) \$125,000.

STATE OF NORTH CAROLINA)
)
 WILSON COUNTY)

**BROWNFIELDS SUBGRANT
AGREEMENT**

THIS AGREEMENT is made and entered into on this 26TH day of January, by and between The REDEVELOPMENT COMMISSION OF GREENVILLE, hereinafter referred to as "Commission", and the CTIY OF WILSON, a duly organized municipal corporation of the State of North Carolina, hereinafter referred to as "City".

WITNESSETH:

WHEREAS, the City is the recipient of Brownfields Cleanup Revolving Loan Funds ("BCRLF") and authorized to make certain loans and/or subgrants from these funds (the "Funds") throughout the jurisdiction of the Eastern North Carolina Brownfield Coalition (ENCBC); and

WHEREAS, these Funds are to be used to undertake the cleanup of brownfields sites by making low interest loans and/or grants to parties willing to undertake cleanup of the same; and

WHEREAS, Commission is the owner of certain real property located in the City of Greenville, North Carolina, which property is more particularly described in Exhibit 1, attached hereto (the "Property"); and

WHEREAS, the Property is not listed, or proposed for listing on the National Priorities List of the U. S. Environmental Protection Agency ("EPA"); and

WHEREAS, the Property contains certain environmental conditions which qualify it for BCRLF, and the Commission proposes to address those environmental conditions on the Property through use of the Funds and in accordance with the terms of this Agreement; and

WHEREAS, Commission is not a generator or transporter of the environmental conditions at the Property; and

WHEREAS, Commission is not and has never been subject to any penalties resulting from environmental non-compliance at or on the Property nor is Commission, or its Project contractors or subcontractors currently suspended, debarred, or otherwise dedared ineligible for participation in this federal program or from the receipt of these funds; and

WHEREAS, Commission acquired the Property after the time the environmental conditions were created and has not caused, contributed to, permitted, or exacerbated the environmental conditions on, or emanating from, the Property.

Add a WHEREAS that identifies what the BCRLF Steering Committee is, etc.

NOW, THEREFORE, in consideration of the covenants and promises contained herein, it is mutually agreed by and between the parties as follows:

1. The City agrees to sub-grant the Commission a sum of One Hundred Twenty-Five Thousand and NO/100 Dollars (\$125,000.00) (the "Sub-Grant") to be used for the costs of cleanup of the Property as specifically set forth and defined by an approved Cleanup Work Plan (CWP) or equivalent, pursuant to, and in accordance with the terms and conditions of this Agreement and the EPA Brownfield Program. The City shall be the "lead agency" for the purposes of this Agreement and the Project.
2. Commission shall perform all work in accordance with applicable provisions of federal, state or local law, including the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (40 CFR 31), which is contained in the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42, U.S.C. 9601, et seq.
3. Commission shall comply with the Davis-Bacon Act of 1931 (CERCLA 104(g)(l), 40 U.S.C.276a-276a-5 and 42 U.S.C.3222) by paying Federal prevailing wage rates for construction, repair or alteration work funded in whole or in part with BCRLF Funds. *Commission* must obtain recent and applicable wage rates from the U.S. Department of Labor and incorporate them into the construction contract. The City shall monitor *Commission's* compliance with the Davis Bacon Act.
4. Commission shall comply with Executive Order 11246, Equal Employment Opportunity, and implementing regulations at 41 CFR 60-4 relating to federally assisted construction contracts.
5. Commission shall provide the City with a copy of any Phase I Environmental Assessments that have been prepared ("Phase I's") of the Property. If a Phase I has not been performed, Commission agrees to conduct a Phase I according to the American Society for Testing and Materials (ASTM) standards. Commission shall be responsible for the payment of all costs and expenses related to the Phase I. Commission agrees that Funds shall not be used for the payment of any cost or expense related to the Phase I.

6The City has prepared a Community Involvement Plan ("CIP") that has been approved by the EPA. Commission shall establish a local information repository at or near the Property that includes public information supplied by both the City and Commission related to the proposed Response Action (the "Repository"). The CIP shall be included in the Repository.

7. Commission shall draft a site work plan ("WP"), which shall clearly identify the objectives of any proposed action and sets forth a recommended course of action with estimated costs. If more than one alternative exists for any recommended action, Commission shall provide an analysis of alternatives. Commission shall submit copies of the draft WP to the City for approval. Commission agrees to consider advice and suggestions from the City, and if agreeable to Commission, will incorporate those suggestions or requests for revisions into the draft WP.
8. After the City and BCRLF Steering Committee have approved the draft WP, the City shall make the draft WP available for review and public comment for a period of not less than thirty (30) days from the date of publication of the public notice, Commission shall modify the draft WP if the City determines it is necessary to do so based upon public comments or new information. Thereafter, the draft WP will be submitted to EPA for approval.
9. After approval of the WP, Commission shall prepare a Scope of Work to implement the WP (the WP and the Scope of Work shall collectively be referred to as the "Project"). The Scope of Work shall contain detailed design and construction plans, a Budget, Work Schedule, a Health and Safety Plan (OSHA 1910-120 - 126) and a Quality Assurance Project Plan (which sets forth the manner and method of collecting samples) and submit same to the Site Manager and the City for approval.
10. Commission understands and agrees that all Funds provided by the City shall be used to clean up the Property as specifically defined by the Project. Commission shall supply the City with evidence of financial resources adequate to successfully implement and complete the Project.
11. Commission further understands and agrees that any and all work performed on the Property for which Funds are used, and the receipt of any Funds under this Agreement, is conditioned upon Commission's full compliance with the Project (and all steps preparatory to the same) and this Agreement. If required, the City will submit the Quality Assurance Project Plan to EPA for approval; such approval must be obtained prior to the initiation of the Project.
12. The Funds shall be payable to Commission as reimbursement for allowable expenses incurred based upon the progress of the work and in accordance with the Budget. No reimbursement shall be made to Commission without the written approval of the Site Manager; however, the City shall not be obligated to advance any Funds to Commission prior to the receipt of properly executed lien waivers.
13. Commission agrees to keep all expenditures from the Funds within the approved Budget except with the prior written approval of the City.

14. The City may withhold up to five percent (5%) of the total amount of the Sub-Grant as a retainage until substantial completion of the Project has been obtained.
15. Commission shall commence the Project no later than sixty (60) days from receipt of the approvals required in Paragraph 10 [is that still the right paragraph #?]. Commission shall complete and perform the Project under this Agreement within 365 days from commencement.
16. All work of the Project performed pursuant to this Agreement and with Funds shall be performed in a good and workmanlike manner.
17. All changes or modification to the Project or the Project Documents shall be approved in writing by the City prior to such change or modification becoming effective. All additional costs incurred as the result of any change orders shall be the responsibility of Commission to the extent that the Funds are exhausted. In the event that unforeseen conditions are discovered during the implementation of the Project, the City reserves the right to suggest revisions to the Project and the Project Documents and, if agreeable to the Commission, Commission will incorporate those suggestions in the Project and Project Documents.
18. Commission, at its sole cost and expense, and from sources other than the Funds, shall be responsible for obtaining all permits, licenses, approvals, certifications and inspections required by federal, state or local law and to maintain such permits, licenses, approvals, certifications and inspections in current status during the term of this Agreement.
19. Commission shall:
 - a. Notify the City when the Project is complete. Subsequently, Commission and the City shall prepare a memorandum documenting that the Project was performed in conformance with all applicable federal, state, and local law, rule and regulation. This report shall summarize the actions taken, the resources committed and the problems encountered in completion of the Project, if any.
 - b. Perform all of its obligations and agreements under this Agreement and the Note, and any other agreements or instruments to which Commission is a party and which relate to this Loan or Sub-Grant or to the Project.
20. Commission shall indemnify, defend, and hold harmless the City and its officials, officers, employees, agents, servants, successors, and assigns (the "Indemnities"), for or against any and all claims, demands, suits, damages, judgments, costs and expenses of whatever nature or kind (including, but not

limited to, all fees of attorneys and other professionals and court costs, to the extent allowed by law) arising out of, in connection with, or relating to the Project or this Agreement, or by reason of any good faith action taken by the City in order to protect its rights hereunder (hereinafter "claim"), excepting to the extent a claim is caused by or results from exacerbation of an environmental condition as a consequence of the negligent activities of an Indemnitee, the gross negligence or willful misconduct of an Indemnitee, or an Indemnitee's breach of any obligations under this Agreement.

21. Commission shall erect a sign on the Project site stating that the Project is being financed in part by ENBCRLF and the City and providing the appropriate contacts for obtaining information on activities being conducted at the site and for reporting suspected criminal activities. The sign erected on the Project site shall comply with all requirements of the state and local law applicable to on premise outdoor advertising.
22. No Funds may be used solely for the purpose of demolishing any part of the Property; Funds can be used only for demolition of any part of the Property if demolition is necessary to perform the Project.
23. Any forbearance by the City with respect to any of the terms and conditions of this Agreement shall in no way constitute a waiver of any of the City's rights or privileges granted.
24. It is expressly understood that a failure or delay on the part of Commission in the performance, in whole or in part, or any of the terms of this Agreement, if such failure is attributable to an Act of God, fire, flood, riot, insurrection, embargo, emergency or governmental orders, regulations, priority, or other limitations or restrictions, or other similar unforeseen causes beyond the reasonable control of such party, the failure or delay shall not constitute a breach or default under this Agreement however, Commission shall use its best effort to insure that the Project is completed in a reasonable time without unnecessary delay. Provided, however, this section shall not be construed to extend the time for completion of the Project.
25. Commission agrees to maintain documents and records relating to the Project, including operating and expense statements for the Project (hereafter-"Project Documents"), and retain the records for a period of three (3) years. Commission agrees to permit the City or its designated representative to inspect and/or audit any such Project Documents during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires relevant to this Agreement. The City shall provide written notice to Commission within ten (10) business days prior to any requested inspection/audit date of the Project Documents.
26. Commission will comply with the statutes prohibiting discrimination on the

grounds of race, color, national origin, sex and disability. In addition, Commission will undertake good faith efforts in compliance with 40 CFR §35.6580 to give opportunities for qualified Small Business Enterprises (SBE), Minority Business Enterprises (MBE) and Women Owned Business Enterprises (WBE) to submit proposals, bids, and provide services on contracts and subcontracts for services and supplies. Commission shall submit a report of such efforts on the form provided by the City.

27. This Agreement shall not create or vest any rights in any third party or create any third party beneficiaries.
28. All amendments to this Agreement shall be in writing and signed by both parties hereto.
29. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
30. No failure of either party to exercise any power or right given it hereunder or to insist on strict compliance by the other party with its obligations hereunder, and so custom of practice of the parties at variance with the terms hereof shall constitute a waiver of the other party's right to demand at any time exact compliance with the terms hereof.
31. All notices, requests, instructions or other documents to be given hereunder to either party by the other shall be in writing and delivered personally or sent by certified or registered mail, postage paid, to the addresses set forth in this Agreement. Any such notice, request, instruction or other document shall be conclusively deemed to have been received and be effective on the date on which personally delivered or, if sent by certified or registered mail, on the day mailed to the parties as follows (or to such other address as a party may subsequently specify in writing to the other party):

TO THE CITY:

City of Wilson
Attn: Ms. Michelle Brown
112 East Goldsboro Street
Wilson, NC 27893
Email: msbrown@wilsonnc.org

TO COMMISSION:

Redevelopment Commission of Greenville
Attn: Mr. Tom Wisemiller
P.O. Box 7207
Greenville, NC 27834
Email: twisemiller@greenvillenc.gov

32. If any provision or item of this Agreement is held invalid, such invalidity shall

not affect other provisions or items of this Agreement which can be given effect without the invalid provisions or items, and to this end, the provisions of this Agreement are hereby declared severable.

- 33. Except for any exhibits, attachments, plats or other documents as may be affixed hereto, made a part hereof, referenced herein, and properly identified herewith, this Agreement constitutes the entire contract between the parties, and shall not be otherwise affected by any other purported undertaking, whether written or oral. Provided however, all terms used herein which have a definition or meaning given or required by applicable federal statute, rule, or regulation shall be construed or applied in conformity therewith.
- 34. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, except where governed by federal statute, rule, or regulation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first written above.

CITY OF WILSON

WITNESSES:

By: _____

(Name and Title)

REDEVELOPMENT COMMISSION OF GREENVILLE

WITNESSES:

By: _____

(Name and Title)

[Add standard notary headers and lines here . . .]

REDEVELOPMENT



COMMISSION

MEMO

To: Redevelopment Commission Members

From: Tom Wisemiller, Economic Development Project Coordinator

Date: January 29, 2016

SUBJECT: Uptown Theatre Development Project – Letter of Intent

Staff is requesting that the RDC approve the attached (draft) Letter of Intent, subject to City Council approval. The City Manager's office worked with Community Smith, LLC, the developer of the proposed project, on which items would be included in this Letter of Intent, as the proposal involves additional commitments from the City. As you know, Community Smith is proposing to renovate the Uptown Theatre for use as a live entertainment venue and community theater.

Staff has invited Community Smith to participate in the discussion under RDC Agenda item VI. Consideration of Uptown Theatre Development Plan – Letter of Intent. Staff and Community Smith will provide background on this request and answer RDC questions about the LOI, but we wanted to provide this draft copy of the LOI for your review in advance of the meeting.



LETTER OF INTENT AND DUE DILIGENCE AUTHORIZATION

This Letter of Intent and Due Diligence Authorization (the “Letter of Intent”), is made by and between Redevelopment Commission of Greenville, (hereinafter called the “Commission”), and CommunitySmith, LLC, a North Carolina Limited Liability Company, and Lincoln Theatre Associates, LLC, a North Carolina limited liability company (CommunitySmith and Lincoln Theatre Associates are hereinafter called “Developer”), for the purposes set forth below:

PROJECT TITLE: Revitalization of the State Theatre (the “Project”).

PROJECT ADDRESS: 110 W. 5th Street – Greenville, NC (the “Property”).

DOCUMENT DESCRIPTION: Commission and Developer intend to negotiate the terms of an offer to purchase for the Property for redevelopment of the State Theatre. This Letter of Intent serves as permission from Commission to Developer to proceed with its due diligence on the Property as set forth herein, and establishes the basic terms of the offer to purchase that the Developer proposes to make and the Commission proposes to accept following compliance with applicable property disposition requirements applicable to the Commission. This Letter of Intent is effective as of the date last signed (the “Effective Date”). Subject to the terms of this Letter of Intent, Commission and Developer agree as follows:

1. Description of Parties:

Redevelopment Commission of Greenville is a body politic and corporate created by ordinance pursuant to North Carolina General Statute 160A-504 formed to function within the territorial limits of the City of Greenville in accordance with the provisions of Article 22 of Chapter 160A of the North Carolina General Statutes.

CommunitySmith, LLC is a private development company specializing in identifying commercial properties in the region that are good candidates for redevelopment. CommunitySmith works cooperatively with public officials, private participants, city staff and community members to identify projects and create partnerships to reimagine and revitalize properties just as with their highly successful Superblock project in Uptown Greenville and the recently completed Dickinson Avenue project.

Lincoln Theatre Associates, LLC owners Mark Thompson and Pat Dickinson opened the Lincoln Theatre in February 2001 in Downtown Raleigh and were pioneers in the growth of downtown Raleigh’s eastern edge. The Lincoln Theatre serves as both a performance venue and a community event space in Downtown Raleigh. The Lincoln Theatre has supported Raleigh and its citizens and non-profits by hosting more than 100 public use events over the last 15 years, and; Lincoln Theatre Associates believes the State Theatre can have this same driving impact in Uptown Greenville.

(Commission and Developer are sometimes collectively referred to herein as the “Parties”).

2. Description of the Property:

See Exhibit A attached hereto and incorporated herein.

3. Description of Project:

Developer proposes, following the completion of certain infrastructure improvements benefiting the Property, to purchase the Property from the Commission and construct improvements and renovations to the State Theater to create a performance venue that will add to the cultural amenities offered within the corporate limits of the city. It is expected that once renovated, the State Theatre will lead to additional cultural, residential or other adaptive-reuse redevelopment in the immediate vicinity of the Property once the Project is completed.

4. Basic Terms of Negotiated Offer:

This Letter of Intent specifies the terms of the offer to purchase for the Property the Developer proposes to make and the Commission proposes to accept. The final form of the offer to purchase, deed, easements and other contracts by and between Commission and the Developer to finalize the conveyances specified herein are subject to future negotiation, and any such agreements are conditioned upon the Parties' mutual written agreement on terms (the "Contracts"). An initial timeline for the completion of the Project components is included as Exhibit B. The good faith expectations of the City and the Developer of the provisions to include in the Contracts are as follows:

A. Investment By Developer-After receiving title to the Property, Developer will spend a minimum of \$1,000,000.00 in private funds to renovate the State Theater so that it will be able to receive a certificate of occupancy for its use as a Live Performance Theatre no later than the earlier of (i) three hundred and sixty five days following Developer's receipt of all governmental permits and approvals necessary for the completion of the Project or (ii) March 31, 2018. Notwithstanding the foregoing, the date by which receipt of a certificate of occupancy is required to occur shall be extended in the event governmental permits and approvals necessary for the completion of the project have been withheld through no fault of the Developer after proper application has been submitted, said extension shall be for the period of time that the approval has been withheld or a date mutually agreed upon by the Developer and Commission.

B. Actions By Commission-The Commission will expend, as the contribution of the Commission and the City of Greenville (the "City") to the Project, the amount necessary to complete the actions relating to the Property listed in this Subsection B (the "Contribution"). It is estimated that the Contribution will be approximately \$300,000. The Commission will complete the following actions relating to the Property.

- i Significant environmental remediation is required to abate existing conditions within the State Theatre. The Commission has received a grant from the Environmental Protection Agency in the amount of \$125,000 (the "EPA Grant Funds") to address a

- number of these current environmental issues. Commission will, prior to conveyance of the Property, use the EPA Grant Funds and other Commission funds that may be necessary to complete all work recommended in the existing Abatement Plan for the Property titled GENERAL DEMOLITION, ASBESTOS ABATEMENT, LEAD BASE PAINT SURFACE PREPARATION, AND ENVIRONMENTAL DECONTAMINATION PROJECT FOR OLD GREENVILLE THEATER-MARTIN LUTHER KING BLVD. GREENVILLE, NC. BY: CHILDRESS ENVIRONMENTAL CONSULTANT, INC. P.O. BOX 18208-RALEIGH, NC; DESIGNER: E. RAYMOND CHILDRESS-NC # 40191; NOVEMBER 21, 2013”, and hereafter referred to as “Abatement Plan,”
- ii. Commission will consult with the City to develop a plan, subject to the approval of the City, in order to identify funding for improvements to the City-owned parking lot located on Parcel # 11436 (405 S. Washington Street) & Parcel # 05937 (0 S. Washington Street) which will reconfigure the parking lot in a manner that supports the Property and adjacent properties by relocating existing traffic islands and other measures and in order to accommodate tour buses and trailers typically used by performers at venues similar to the Project at some location within 300 feet of the Property. The Parties, in consultation with the City, shall develop a mutually agreeable vehicle parking and traffic plan for the parking lot and surrounding areas no later than 120 days following the Effective Date.
 - iii. Commission will recommend and sponsor the submission of an application for Landmark status of the Property and allow the previously completed architectural survey of the Property to be submitted with the necessary Landmark application.
 - iv. Prior to conveying the Property to Developer, the Commission will either provide written acknowledgement that the Developer has the authority to execute, an applications, permit requests, and other documents, reasonably requested by the Developer and which is necessary for the completion of the Project, or, in the alternative at the election of the Commission, execute the application, permit request, and other documents as a joint applicant with the Developer.
- C. Purchase Price:** In exchange for Developer’s commitment to complete the renovations specified herein above, and other commitments specified herein, the Commission shall convey to Developer fee simple title to the Property via a NC General Warranty Deed subject to the Deed Restrictions discussed below, for Twenty Thousand Dollars (\$20,000), following an authorized disposition method permitted by North Carolina General Statute for the disposition of Commission’s real property.
- D. Use Restrictions:** The conveyance of the Property from the Commission to Developer will be subject to the following restrictions:

1. The Property will be used only for a Live Performance Theatre use as defined by the provisions of the Zoning Ordinance for Greenville, North Carolina for a period of ten (10) years from the date of conveyance.
2. The Property will in no event be used for sexually oriented businesses.
3. The Property will be occupied and operated in accordance with all applicable laws and regulations.
4. Any restrictive covenants of public record recorded as of the Effective Date.

5. Due Diligence:

Commission hereby grants Developer and its employees, agents, citizen committees, and contractors a right of entry onto and into the Property during the Term for the purposes of conducting surveys, inspections, tests and other analysis and due diligence on the Property. During the Term, Developer will work diligently to determine the viability of completing the Project on the Property. Developer will keep Commission informed of its due diligence progress throughout the Term.

Prior to conducting any tests, studies or analyses on the Property during the Term, the Developer shall work with Commission to ensure that any activities are consistent with Commission's current approvals and applicable law.

Developer shall repair or restore any area disturbed as a result of the use of the right of entry by the Developer and its employees, agents, citizen committees, and contractors.

Developer shall indemnify and hold Commission harmless from and against any and all claims arising out of the Developer's or its employees', agents'; citizens committees', or contractors' entry upon the Property and due diligence or other activities thereon.

6. Term:

This Letter of Intent shall be effective for a period of twelve months following the Effective Date unless earlier terminated as provided herein. This Letter of Intent may be renewed and otherwise extended for additional periods upon the mutual written agreement of the Parties (each a "Renewal Term"; the Initial Term and any and all Renewal Term(s) are collectively referred to herein as the "Term").

7. Termination:

This Letter of Intent shall terminate: (i) immediately and automatically if the Commission conveys the Property to Developer; (ii) automatically upon the expiration of the Term; (iii) at any time, by mutual agreement of the Parties; (iv) by Commission, upon the material breach by Developer of any provision contained herein which material breach remains uncured by Developer after Commission provides thirty (30) days advance written notice of said material breach to Developer or (v) by Developer, upon the material breach by Commission of any provision contained herein which material breach remains uncured by Commission after

Developer provides thirty (30) days advance written notice of said material breach to Commission.

8. Conditions Precedent & Contingencies:

The Parties understand and agree that there are a number of conditions precedent and contingencies that will impact the ability to complete the Project. At a minimum, the Parties understand and agree that the following must be resolved to the Developer's and Commission's satisfaction prior to the completion and acceptance of the offer to purchase (or a timeline and means for resolving any such issue shall be a part of the Contracts):

- A. Commission and the Developer are able to procure suitable financing for their respective components of the Project.
- B. The Commission secures all necessary approvals from its Board to proceed with the Project.
- C. The City grants all necessary Permits which allow for the Developer's proposed use of the Property and the necessary and desirable improvements to the Property and surrounding infrastructure.
- D. The negotiation and completion of agreements and documents guiding the selection of designers and contractors, the timelines for the completion of various aspects of the design work, the timing of receipt of construction pricing and contractor means, methods and scheduling input, and other specific design and construction coordination necessary to ensure the successful completion of the Project.
- E. Confirmation that adequate utilities services are available within a reasonable distance from the Property for connection and suitable for the proposed uses to be included within the State Theatre.
- F. Commission & Developer obtaining all Permits, including zoning, conditional/special use permits, variances, subdivision plats, approvals, permits, easements for the Project.

9. Representations and Warranties:

Commission and the Developer each represent to the other to the best of their respective knowledge:

- A. Commission and the Developer have all requisite power and authority to execute this Letter of Intent, and any other instruments required to be delivered by Commission or the Developer hereunder.

- B. Commission's and the Developer's entry into this Letter of Intent will not violate any private restriction or agreement or to the best of Commission's or the Developer's knowledge without investigation or inquiry any applicable statute, ordinance, governmental restriction or regulation.
- C. During the Term, Commission shall not enter into or record any instrument that affects the Property without the prior written consent of Developer except for instruments entered into in order to perform the actions required by the Commission set forth in Subsection 4.B of this Letter of Intent.
- D. During the Term, Commission will not enter into direct negotiations with any third party for the sale, lease, development or other use of the Property.
- E. There is no pending or threatened action, litigation, bankruptcy, condemnation, or other proceeding of any kind pending against Commission which materially adversely affects the Property.
- F. No broker, finder or other intermediary is involved in the transaction contemplated by this Letter of Intent, and no brokerage fee or commission is due and payable by Commission or the Developer upon any lease or conveyance of the Property.
- G. Commission shall have at closing on the conveyance of the Property to Developer fee simple marketable and insurable title to the Property free and clear of all liens, encumbrances and defects of title other than Permitted Exceptions, as hereinafter defined. "Permitted Exceptions" shall mean (a) restrictive covenants, easements and rights-of-way of public record existing at the Effective Date, noncompliance with local, county, state or federal governmental laws, ordinances, or regulations relative to zoning, subdivision, occupancy, use, construction or the development of the Property, if any, and to all matters and things which a current accurate survey may reveal or disclose; and (b) any other matters which are not objected to by Developer prior to the time allowed for such objections by the Contracts. Commission shall be required to satisfy, at or prior to closing on the purchase and sale of the Property, any encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens.
- H. Commission has not received written notice of any violations of any laws, ordinances or similar rules and regulations relating and/or applicable to the ownership, use and operation of the Property as it is now operated, and/or other licenses or permits, which remain uncured.
- I. All ad valorem taxes for the Property have been paid in full.

- J. No assessments or special assessments for public improvements or otherwise have been levied or are not affecting the Property.
- K. To the best of Commission's present knowledge, the Property is not within an area determined to be flood-prone under the Federal Flood Protection Act of 1973.
- L. Except as identified in the Abatement Plan referenced in Subsection 4.B.i., Commission has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within the buildings or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. §1317), (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601). Seller has no actual knowledge of any contamination of the Property from such substances as may have been disposed of or stored on neighboring tracts.

10. Miscellaneous:

- A. Binding Effect. This Letter of Intent sets forth a declaration of the intentions of the Parties concerning the transactions described herein, but the Parties understand that until a Contract shall have been executed, no party has any legal obligation in connection herewith, except as to the obligations set forth in this Section and Sections 5, 6, 7 and 9 of this Letter of Intent, which shall become effective when this Letter of Intent shall have been executed by and delivered, and which shall be binding upon and inure to the benefit of the Parties hereto, and their respective heirs, members, successors, personal representatives, officers, agents, employees, and permitted assigns. Commission agrees to reimburse Developer for fifty percent (50%) of its due diligence costs incurred related to the Project if Commission breaches any representation or warranty contained in Section 9 of this Letter of Intent, but in no event to exceed a reimbursement of \$20,000.
- B. Assignment. Developer may assign the rights under this Letter of Intent to a single purpose entity created by the Developer for the purposes of carrying out the Project. Otherwise, the rights under this Letter of Intent may be transferred and assigned only upon the written consent of the non-assigning party.



- C. Fees and Expenses. Each party will be responsible for his or its own legal fees and expenses incurred in connection with the transactions contemplated by this Letter of Intent.
- D. Governing Law. This Letter of Intent shall be governed by and construed in accordance with the laws of the State of North Carolina. Any dispute regarding this Letter of Intent shall be filed in a court of competent jurisdiction located in Pitt County, NC.
- E. Counterparts. This Letter of Intent may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same document. A signed copy of this Letter of Intent delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy.
- F. Amendment. This Letter of Intent shall not be amended except by a written instrument executed by both Developer and Commission.
- G. No Third Party Beneficiaries. Nothing contained in this Letter of Intent shall be deemed to create a contractual relationship with, or a cause of action in favor of, any third party against Commission or Developer.

Commission and Developer hereby acknowledge that this Letter of Intent is not a purchase and sale agreement for the Property, is not binding upon any party hereto except as provided in Subsection 10.A of this Letter of Intent, and that it is intended only as the basis for the negotiation of a definitive offer to purchase. Any Contract shall be subject to Commission's and Developer's approval and full execution.

IN WITNESS WHEREOF, Developer and Commission have set their hands and seals as of the Effective Date.

CommunitySmith, LLC

By: _____
Title: _____
Date: _____

Lincoln Theatre Associates, LLC

By: _____
Title: _____
Date: _____

AGREED AND ACCEPTED:

Redevelopment Commission of Greenville

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

BY: _____

David A. Holec, City Attorney

PRE-AUDIT CERTIFICATION:

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

BY: _____

Bernita W. Demery, CPA, Director of Financial Services

Account Number _____

Project Code (if applicable) _____

EXHIBIT A

Property Description

Description (n/s 5th between Evans & Washington, Greenville, #07085):
Being that certain lot or parcel of land situated in the City of Greenville, Greenville Township, Pitt County, North Carolina (Current Address: 110 West 5th Street, Greenville, North Carolina), which is more particularly described as follows:

Being the former Carmike Cinema / Essantee Theatre property, Pitt County Tax Parcel #07085, as conveyed by that 03/27/2008 Warranty Deed from Edgar B. Wall, Jr. and wife, Colleen K. Wall, to J2 Holdings, LLC, recorded 03/28/2008 in Book 2471, Page 88 of the Pitt County Registry (less and excepting a 15 foot area in the rear of the property adjoining a City Parking Lot which is being retained by the Grantor), all described in accordance to the below referenced Hall Survey Plat incorporated herein for a more complete and accurate description:

-1- Beginning at an "Engineers Tack" located in or adjacent to the northeastern intersection of Washington Street and W. Fifth Street, said "Tack" being further located in the southwestern corner of Pitt County Tax Parcel #77376; thence running from the said "Tack" South 78 deg. 32 min. 49 sec. East 88.57 ft. to the southwestern corner of this described Pitt County Tax Parcel #07085, the POINT OF BEGINNING; thence running from the said Point of Beginning North 11 deg. 39 min. 46 sec. East 142.74 ft. to a Point;

-2- thence running from the said Point South 78 deg. 32 min. 49 sec. East 43.2 ft. (this line running parallel to and 15 ft. from a "City of Greenville Parking Lot") to a Point in or adjacent to an Alley;

-3- thence running from the said Point South 11 deg. 39 min. 46 sec. West 142.74 ft. with or adjacent to an Alley to a Point designated as "Cor. Bldg.";

-4- thence running from the said Point North 78 deg. 32 mi. 49 sec. West 43.2 ft. with or adjacent to W. Fifth Street to the aforesaid Point of Beginning.

Also included herein as a non-warranty quitclaim conveyance to the Grantee is all of such right, title, interest or claim the Grantor has or may have in the alleyway which is located adjacent to and on the east side of this described parcel as described in that Deed recorded in Book 2471, Page 88 of the Pitt County Registry.

Referenced Survey Plat:

Reference should be made to that Plat by Willard R. Hall, entitled "Survey Plat, J2 Holdings, LLC", dated 09/16/2008. This Survey Plat is incorporated herein for a more detailed description.

EXHIBIT B

Project Timeline

TASK	PROPOSED BEGINNING DATE	END BY DATE
Commission & Developer Action: Approval of Letter of Intent between Commission and Developer		
Permit applications made for all necessary improvements. Joint application by Commission & Developer		
Sales Process Offer Submitted by Developer Commission Completes Bidding Process		
If Developer is Successful Bidder City Completes agreed upon infrastructure & Site improvements		
Closing-Property Deeded to Developer		
Project Construction & systems commissioning (Developer)		
Occupation & Theatre upfit		
Grand Opening		