

RESOLUTION NO. 26469

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN OFFER TO PURCHASE REAL ESTATE AND ACCEPTANCE AGREEMENT WITH THE U.S. GENERAL SERVICES ADMINISTRATION (GSA) AND HAMILTON COUNTY FOR THE PURCHASE OF 34.8 ACRES OF THE FORMER VOLUNTEER ARMY AMMUNITION PLANT (VAAP) FOR THREE HUNDRED TWENTY-SEVEN THOUSAND DOLLARS (\$327,000.00) WITH THE CITY'S SHARE BEING ONE HUNDRED SIXTY-THREE THOUSAND FIVE HUNDRED DOLLARS (\$163,500.00) AND AUTHORIZING THE MAYOR TO SIGN ALL NECESSARY CLOSING DOCUMENTS TO ACQUIRE SAID PROPERTY.

WHEREAS, on September 29, 2000 Hamilton County (County) and the City of Chattanooga (City) purchased 940 acres of the former Volunteer Army Ammunition Plant (VAAP) property for economic development purposes; and,

WHEREAS, the City and County have continued negotiations with the U.S. General Services Administration (GSA) for the purchase of additional property adjacent to the 940 acre tract at VAAP, now known as Enterprise South Industrial Park, for future economic development purposes; and,

WHEREAS, 34.8 acres were retained by the United States of America within the boundary of the 940 acres and was reserved as a roadway easement to construct a proposed roadway; and,

WHEREAS, on July 15, 2008, the State of Tennessee, the City of Chattanooga, Hamilton County, the Industrial Development Board (IDB) of the City of Chattanooga, the Chattanooga Chamber of Commerce and certain agencies of or within the State of Tennessee entered into a Memorandum of Understanding (MOU) with Volkswagen Group of America, Inc.

(Volkswagen) to construct a new automotive assembly plant substantially within but not limited to the 940 acre site; and,

WHEREAS, current construction of the Volkswagen plant and the outlying supplier park requires the proposed roadway to be relocated and the 34.8 acre tract be purchased by the City and County and incorporated within the current Volkswagen site; and,

WHEREAS, said negotiations with GSA have resulted in an agreed purchase price of \$327,000.00 (\$163,500.00 to be paid by the City and \$163,500.00 to be paid by the County), the County's portion to be paid from the Capital Projects Fund; and,

WHEREAS, once acquired by the City and County the property is to be transferred to the Industrial Development Board (IDB) of the City of Chattanooga and added to its current lease with Volkswagen; and,

WHEREAS, it is in the best interest of Hamilton County to purchase said property for the continuing development of the Volkswagen plant and economic development of the region.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That the Mayor is hereby authorized to enter into an offer to purchase real estate and acceptance agreement with the U.S. General Services Administration (GSA) and Hamilton County for the purchase of 34.8 acres (subject to survey) of the former Volunteer Army Ammunition Plant (VAAP) for \$327,000.00, plus costs of closing, said purchase price and closing costs to be shared equally between the City and County; \$163,500.00 to be paid from the Capital Projects Fund, and that the Mayor is further authorized to sign any and all necessary closing documents to facilitate the transfer of said property.

Adopted: _____ October 19th, 2010