

MR-2009-107
City of Chattanooga
c/o Dan Thornton

RESOLUTION NO. 26794

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AND EXECUTE THE FIRST AMENDMENT TO OPTION TO PURCHASE REAL ESTATE AGREEMENT WITH GESTAMP CHATTANOOGA, LLC, RELATIVE TO TRACT 19-B OF THE ENTERPRISE SOUTH INDUSTRIAL PARK (ESIP).

WHEREAS, on July 14, 2009, the Chattanooga City Council by Resolution No. 26000 approved the sale of up to 49.7 acres (subject to survey) at \$35,000 per acre for property jointly-owned by Hamilton County and the City of Chattanooga to Gestamp North America, Inc., known as Tract 19 located within the Enterprise South Industrial Park; and,

WHEREAS, Gestamp Chattanooga, LLC initially purchased Tract 19-A from Hamilton County and the City of Chattanooga consisting of 18.214 acres (\$637,000.00) in Phase I of the project on December 14, 2009, and obtained a three-year option to purchase another 16.264 acres, known as Tract 19-B, for Phase II on December 17, 2009; and,

WHEREAS, on February 11, 2010, the City, County, and Gestamp entered into an Option to Purchase Real Estate (Option) of 16.264 acres in the amount of \$35,000 per acre (\$569,240.00), Tract 19-B, Enterprise South Industrial Park; and

WHEREAS, Gestamp is now prepared to exercise said Option and purchase the remaining property in order to expand its current building and manufacturing operations; and,

WHEREAS, during site preparation for Phase I, poor soil conditions were encountered and related costs of said conditions resulted in an additional \$1.2 million in project costs to Gestamp; and,

WHEREAS, in efforts to assist Gestamp to offset the additional project costs for the project, the City, County, and Gestamp have negotiated and mutually agreed to reduce the purchase price of said remaining Option property to \$121,980.00 (16.264 acres at \$7,500 per acre), with all other provisions contained in the Agreement remaining in full force and effect; and,

WHEREAS, it is in the best interest of the citizens of City of Chattanooga to assist in the economic growth and expansion of manufacturing jobs and investment in the Chattanooga area.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That the Mayor be and is hereby authorized to enter into and execute the First Amendment to Option to Purchase Real Estate Agreement with Gestamp Chattanooga, LLC more particularly described below and as shown on the map attached hereto.

Parts of two unplatted tracts of land located in the 3000 block of Hickory Valley Road being the property shown as Proposed Tract 19 on the Exhibit Drawing of the E.S.I.P. West Campus of Enterprise South, Project #28352-02, drawn by Barge, Waggoner, Sumner and Cannon, Inc. on June 26, 2009, and recorded at Book 92, page 116 of the Hamilton County Register's office. Tax Map 130-001.01 and 001.08 (part).

ADOPTED: July 26, 2011

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