



**RESOLUTION TITLE: TO AUTHORIZE THE SALE OF REAL PROPERTY FOR ECONOMIC DEVELOPMENT AND TO AUTHORIZE A LEVEL ONE ECONOMIC DEVELOPMENT GRANT AND A LOCAL MATCH FOR A ONE NC GRANT - PROJECT KNOCK**

WHEREAS, North Carolina General Statute 158-7.1 authorizes a County to undertake an economic development project by conveying property to a company in order to cause the company to locate or expand its operations within the County; and,

WHEREAS, Gaston County is the owner and developer of the Apple Creek Business Park, Lot 10 of which is a 12.85 acre tract; and,

WHEREAS, Gaston County and Project Knock have engaged in private negotiations for the conveyance of Lot 10, to the end that Project Knock may construct a manufacturing facility on the tract, and have reached tentative agreement on the terms for conveyance; and,

WHEREAS, the Board of Commissioners of Gaston County has held a public hearing to consider whether to approve conveyance of the tract to Project Knock, to authorize a Level One Economic Development Grant, and to authorize a match for a ONE NC GRANT to be provided by the State.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Gaston County that:

1. The Chairman and Vice-Chairman of the Board of Commissioners are authorized to execute the necessary documents to convey to Project Knock the real property more particularly described below:

See Attached Map

2. The conveyance of the property to Project Knock will stimulate the local economy, promote business, and result in the creation of 31 jobs in Gaston County that pay at or above the median average hourly wage in the County. The median average hourly wage in Gaston County, as determined by the North Carolina Employment Security Commission, is \$42,100 per year. The probable average annual wage at the facility to be constructed by Project Knock is \$51,000, which is above the current median annual wage in the county. The determination of the probable average annual wage at the facility is based upon materials provided to the county by Project Knock.

DO NOT TYPE BELOW THIS LINE

I, Donna S. Buff, Clerk to the County Commission, do hereby certify that the above is a true and correct copy of action taken by the Board of Commissioners as follows:

NO.	DATE	M1	M2	CBrown	AFrale	BHovis	KJohnson	TKelgher	TPhilbeck	RWorley	Vote
2021-135	05/25/2021	RW	CB	A	A	A	A	A	AB	A	U

**DISTRIBUTION:**

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A=AYE, N=NAY, AB=ABSENT, ABS=ABSTAIN, U=UNANIMOUS

To Authorize the Sale of Real Property for Economic Development and To Authorize a Level One Economic Development Grant and a Local Match for a One NC Grant - Project Knock  
Page 2

3. The fair market value of the property, subject to the covenants and conditions associated with the Apple Creek Corporate Center, is \$963,750.00. This determination of fair market value is based upon the sales prices of comparable tracts of land, as reported to the Board of Commissioners.
4. As consideration for the conveyance of the property, Project Knock has agreed to construct on the property an advanced manufacturing facility at a cost of at least \$7,000,000. A copy of the letter of intent is attached to this resolution.
5. As consideration for the conveyance of the property, Project Knock will pay \$899,501.00 at closing (\$70,000/acre, subject to survey). This facility will generate property tax revenues over the next ten years in an amount at least sufficient to return to the County the total fair market value of the property.

BE IT FURTHER RESOLVED that the Chairman, Vice-Chairman, County Manager or designee are authorized to execute the necessary documents to apply for and commit to a matching grant of \$37,500 to match a ONE NC Grant for Project Knock.

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Mr. Donny Hicks  
Executive Director, Gaston County EDC  
620 N. Main Street,  
Belmont, NC 28012

Via electronic mail: Donny.Hicks@GastonGov.com

Re: Letter of Intent – Proposed Lot 10 – Apple Creek Corporate Park –  
12.85 Acre Portion of Parcel ID: 301850 & 300819

Dear Mr. Hicks,

The following proposal outlines the general terms and conditions pursuant to which “Project Knock” or its assignee (the “**Purchaser**”) will purchase and Gaston County (the “**Seller**”) will sell certain property described in Paragraph 1 and shown on Exhibit A (the “**Property**”). Except as provided in Paragraph 11 hereof, all parties specifically understand that no binding agreement or contract will be created unless and until both Purchaser and Seller execute a purchase and sale contract (the “**Purchase Agreement**”) within Forty-Five (45) days after execution of this this Letter of Intent (the “**Agreement Negotiation Period**”), the undersigned offers to purchase the Property in accordance with the following terms and conditions:

## 1. THE PROPERTY

Approximately 12.85 acres of what is the Proposed Lot 10 in the Apple Creek Corporate Park on Apple Creek Parkway, City of Dallas, County of Gaston, North Carolina, as described on Exhibit A attached hereto, and all of seller’s rights and interests with respect thereto.

## 2. PURCHASE PRICE

The purchase price shall be Eight Hundred Ninety-Nine Thousand, Five Hundred and One Dollar (\$899,501).

The Seller will be responsible for paying any city, county and state transfer taxes as is customary in the State of North Carolina.

## 3. FUNDING

The purchase price shall be funded in cash at closing.

## 4. EARNEST MONEY

Within five (5) days of full execution of the Purchase Agreement, Purchaser will deposit with Investors Title Insurance Company (the “**Escrow Agent**”) the sum of Twenty-Five Thousand Dollars (\$25,000) (the “**Deposit**”). The Deposit shall be applied to the Purchase Price and is refundable during the Due Diligence

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Period and generally refundable in the case of a Seller breach and as otherwise set forth in the Purchase Agreement (e.g., environmental, casualty or condemnation).

## 5. TITLE AND SURVEY

The Seller agrees to convey fee simple marketable and insurable title to the Property by general warranty deed, subject only to the exceptions hereinafter described and as described in the Purchase Agreement. Seller represent and warrant that the Seller is the fee simple owners of the Property, and at Closing, the Seller shall deliver to Purchaser fee simple marketable and insurable title to the Property, free and clear of all liens, encumbrances and defects of title affecting the Property, subject only to matters listed in Purchaser's title policy or set forth by a survey to be obtained by Purchaser, which in any case shall not include any monetary liens, judgments or encumbrances.

After the date of the Purchase Agreement, Purchaser shall, at Purchaser's expense, cause a title examination to be made of the Property before the end of the Due Diligence Period. In the event that such title examination shall show that Seller's title is not fee simple marketable and insurable, in Purchaser's sole opinion, subject only to matters acceptable to Purchaser, then Purchaser shall notify Seller in writing of all such title defects and exceptions. Within five (5) business days after receipt of such notice, Seller shall either opt to cure the same on or before closing or decline to cure the same. If the Seller declines to cure or does not timely cure said notices defects, Purchaser may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Due Diligence Period may have expired). Title to the Property must be insurable at regular rates, subject only to standard exceptions and permitted exceptions.

## 6. CLOSING

The closing of the Purchase Agreement shall take place within thirty (30) days from the expiration of the Due Diligence Period (as defined below) (or the next business day) through the Escrow Agent.

## 7. REAL ESTATE BROKER'S COMMISSION

Development Advisors, LLC represents the Purchaser in this transaction. Seller shall be responsible for the payment of a four (4%) percent real estate commission to Development Advisors, LLC.

## 8. TIMING / DUE DILIGENCE –

Seller shall grant Purchaser a ninety (90) day due diligence period (the “**Due Diligence Period**”) from the date of full execution of the Purchase Agreement to complete its review of the Property and verify to its satisfaction that the Property meets the Purchaser's standards for purchase and the operation of its business. During such time, the Seller shall provide Purchaser with its full cooperation and shall provide Purchaser in a timely manner with all documents and other materials which the Purchaser may reasonably request. If the Property is not acceptable to Purchaser for any reason, or no reason, in its sole judgment, then Purchaser may terminate the Purchase Agreement on or before the expiration of the Due Diligence Period and receive back its Earnest Money in full.

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The Purchaser shall receive an automatic 30-day extension of the Due Diligence Period should there be a delay with finalizing incentive commitments or agreements. Incentive commitments are understood to include the final approval and financing or funding of infrastructure from state and local government entities. Purchaser will notify the Seller of this extension 10 days prior to the expiration of the Due Diligence expiration date should it be needed.

Due diligence review includes, but is not limited to, the following, and the Seller agrees to provide any reports or information in its possession pertaining to the following within five (5) days of final execution of the Purchase Agreement:

- Review of any existing environmental reports indicating the presence or absence of any releases of any petroleum product or other hazardous substances affecting the Property.
- Completion of property conditions survey including performance of any environmental site assessment satisfying the standards of protocols of the American Society for Testing and Materials Standard E1527-13, and of such assessment indicates the presence of any "Recognized Environmental Conditions (as defined by Standard E1527-13) performance of a "Phase II" study survey to evaluate such Recognized Environmental Condition or Conditions, a survey to assess the presence of asbestos-containing material, assessment and delineation of any wetlands, unusual drainage conditions, or evidence of excessive moisture and soil composition on the Property
- Completion of a satisfactory environmental study.
- Determination that the improvements contemplated by Purchaser are and will be in compliance with all applicable zoning and other laws pertinent to the Property.
- Confirmation of any other information or any other matters, which Purchaser in its sole discretion deems pertinent to the Property or this transaction, including but not limited to, determine from NCDOT or the Town of Dallas and Gaston County regarding the feasibility and implementation suitable access, ingress and egress with any planned or proposed road construction and widening; and, determine the feasibility and implementation of bringing utilities to the Property.
- Satisfactory ALTA survey.
- Copies of tax bills for the most recent tax year
- Copies of any operating or lease agreements pertaining to the Property, if any
- Any information, letters or permits related to the development of the Property

The Purchaser's obligations under the Purchase Agreement shall be contingent upon Purchaser obtaining from the applicable governmental authorities' certain development incentives related to the Property in amounts satisfactory to the Purchaser in its sole and absolute discretion (collectively, the "**Development Incentives**"). Anything herein to the contrary notwithstanding, if any or all of the Development Incentives are unacceptable to the Purchaser, the Purchaser may terminate the Purchase Contract and thereupon the Earnest Money Deposit, together with accrued interest, shall be returned to the Purchaser within 3 business days, with no further obligation or liability due or owing by either party to the other except as may otherwise be expressly provided under the Purchase Contract.

## 9. PURPOSE AND INTENT

Except as provided in Paragraph 11, this letter is not intended to be a binding contract or an offer to enter into a contract and will not create any right or obligation based on any legal or equitable theory including

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the right to continue any negotiations. The proposed terms of the transaction set forth herein are also non-binding and subject to change. Only a subsequent formal written contract executed and delivered by all contemplate parties will bind Purchaser as to any matter discussed in this letter.

If the above outline of terms and conditions are acceptable, please indicate by signing below. All parties to these transactions intend that this Letter of Intent be superseded by a Purchase Agreement containing mutually agreed upon terms. In the meantime, all parties agree to proceed in accordance with terms and conditions outlined in this Letter of Intent. Seller understands the purpose of this Letter of Intent is to allow further investigation by both parties into the feasibility of entering into a formal agreement. This Letter of Intent is only binding on the parties during the Agreement Negotiation Period. If the Purchase Agreement is not mutually executed within the Agreement Negotiation Period for any reason whatsoever or no reason at all, this Letter of Intent shall expire and no party shall have any further rights or duties hereunder.

## **10. INSPECTIONS**

Purchaser and its agents and consultants shall have the right to inspect the Property at reasonable times.

## **11. EXCLUSIVITY**

For the period commencing on the date hereof until June 1, 2021, or the date of execution of the Purchase Agreement, the Seller agrees that it will not market the Property for sale or engage in any other discussions regarding the sale of the Property. Further, Seller acknowledges that the Purchase Agreement for the Property shall include an exclusivity provision. Notwithstanding the terms hereof, this Section 11 shall be a binding obligation of the Seller in favor of Purchaser with all remedies available at law or in equity.

## **12. CONDITIONS PRECEDENT**

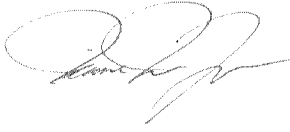
Conditions of this letter of intent and the closing of the Purchase Agreement are 100% contingent upon the approval of both state and local incentives receiving final approval.

## **13. CONFIDENTIALITY**

Confidentiality of Transaction. Seller and Purchaser agree that all negotiations shall remain strictly confidential and that no press and other publicity release or communication to the general public in connection with the proposed purchase and sale of the Property will be issued without the other party's prior written approval, except in accordance with the terms of the Purchase Agreement. All information, studies and reports relating to the Property obtained by Purchaser either by the observations and examinations of Purchaser's agents or as disclosed to Purchaser or Purchaser's agents by the Seller, shall remain strictly confidential, and shall not be disclosed to anyone other than Purchaser or, Purchaser's agents or lenders directly involved in the purchase of the Property and shall be used by Purchaser solely to evaluate the purchase of the Property or to arrange financing in connection with the purchase of the Property.

DevelopmentAdvisors

Sincerely,



Dianne D. Jones  
as agent for an undisclosed principal  
Broker and Project Manager  
Development Advisors, LLC

cc: Michael Zeller, Esq.

Signatures to Follow on Next Page

# DevelopmentAdvisors

AGREED TO:

**Seller:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_



EXHIBIT A



**GASTON COUNTY**  
Economic Development Commission  
North Carolina



## Apple Creek Corporate Park

Dallas Cherryville Highway,  
Gaston County, NC  
02.20.2019

### Site Plan

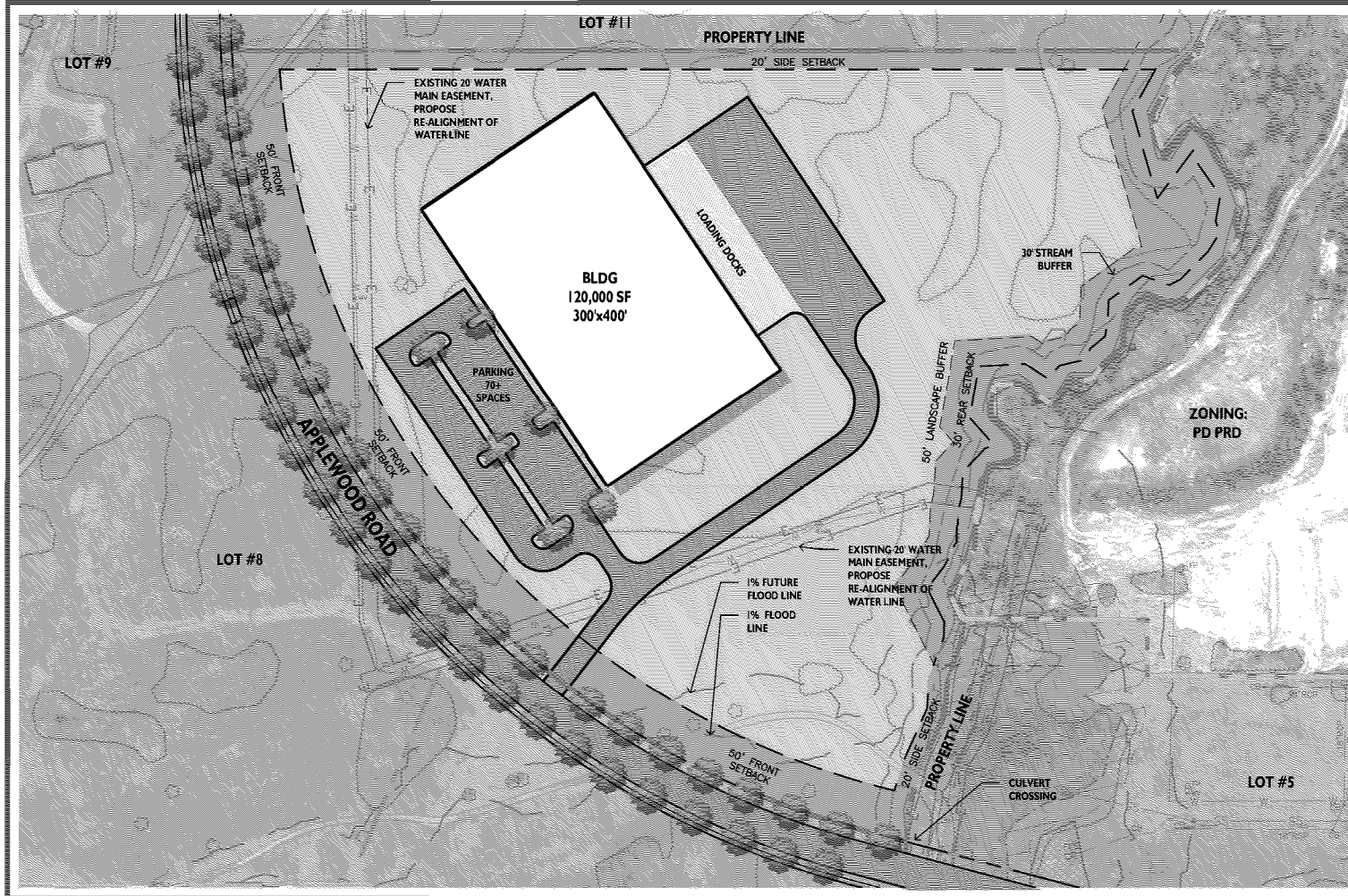
#### Features

- Common Area Detention, Storm Water Quality within Corp Park
- NCDOT Maintained Applewood Rd.
- Protection to Owners from ARC (Architectural Review Committee) and Covenants & Restrictions
- Suitable Immediately
- Zoned I-2
- Utilities Available within Corp Park (Includes H2O, Power, Sewer, HP Gas, Communications)
- "Pad Ready" with Utilities Stubbed to Site

#### Facts

Parcel Acreage:	12.85 AC
Buildable Area:	8.40 AC
Building Height:	50' max.
Building Area:	120,000 SF
Building Expansion:	N/A
Setbacks:	
Front	50'
Rear	30'
Side	20'
Overlay	50'
Easements:	20' Water Main
Buffers:	50' min. Landscape
	30' Stream
Architectural Accent:	Per ARC

**DISCLAIMER:**  
THE CONCEPTUAL SITE PLAN GENERAL USES, LAYOUT, LOCATIONS, SIZES AND INTERPRETATION OF THE DEVELOPMENT DEPICTED ON THIS PRELIMINARY CONCEPT PLAN IS A GRAPHIC REPRESENTATION OF THE PROPOSED DEVELOPMENT. CHANGES TO THIS PRELIMINARY PLAN MAY OCCUR WITHOUT NOTICE AS THE DEVELOPMENT PROGRAM IS FURTHER DEFINED, REVIEWED AND APPROVED BY THE APPROPRIATE AUTHORIZED AGENCIES.



Gaston County is to approve the contract for mass grading of the 330+/- acre Apple Creek Corporate Center in late May 2020. The work which will include the relocation of the existing water line; installation of sidewalks; street trees; placement of public utility appurtenances and establishment of Covenants, Conditions & Restrictions. Majority of work should be completed by July 2021. The price per mass graded acre is \$65,000.

LOT # 10

Gaston County Economic Development Group  
620 N. Main Street, Belmont, NC 28012, Phone: 704-825-4046, Website: Gaston.org



# Gaston County

Gaston County  
Board of Commissioners  
www.gastongov.com

## Economic Development Commission Board Action

File #: 21-174

Commissioner Keigher - EDC - To Authorize the Sale of Real Property for Economic Development and to Authorize a Level One Economic Development Grant and a Local Match for a One NC Grant - PROJECT KNOCK

### STAFF CONTACT

Donny Hicks - Economic Development Commission - 704-825-4046

### BUDGET IMPACT

N/A

### BUDGET ORDINANCE IMPACT

N/A

### BACKGROUND

Project Knock is considering an investment of \$899,501.00 to stimulate the local economy, promote business, and result in the creation of 31 jobs in Gaston County that pay at or above the median average hourly wage in the county. The median average hourly wage in Gaston County, as determined by the North Carolina Employment Security Commission, is \$42,100 per year. The probable average annual wage at the facility to be constructed by Project Knock is \$51,000, which is above the current median annual wage in the county. The determination of the probable average annual wage at the facility is based upon materials provided to the county by Project Knock. The fair market value of the property, subject to the covenants and conditions associated with the Apple Creek Corporate Center, is \$963,750.00. This determination of fair market value is based upon the sales prices of comparable tracts of land, as reported to the Board of Commissioners. As consideration for the conveyance of the property, Project Knock has agreed to construct on the property an advanced manufacturing facility at a cost of at least \$7,000,000. A copy of the letter of intent is attached to this resolution. As consideration for the conveyance of the property, Project Knock will pay \$899,501.00 at closing (\$70,000/acre, subject to survey). This facility will generate property tax revenues over the next ten years in an amount at least sufficient to return to the county the total fair market value of the property.

### POLICY IMPACT

N/A

### ATTACHMENTS

Resolution, Letter of Intent/Exhibit A "Map"

DO NOT TYPE BELOW THIS LINE

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NO.	DATE	M1	M2	CBrown	AFrale	BHovis	KJohnson	TKeigher	Thilbeck	AFrale	Vote
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