

Memo

To: Charlotte City Council
From: Bryan Myrkle, Community Development Director
Date: April 7, 2017
Re: Sale of Combs Park property to Alro Steel

Alro Steel is proposing the purchase of additional property surrounding its facility in Combs Park for possible future expansion.

I have included a drawing they prepared showing the areas they are interested in buying, as well as a letter of intent (proposed purchase agreement).

There are four areas around the plant that Alro wants to purchase. These being interior areas, the standard price is \$10,000 per acre, which is what I negotiated with Alro.

In my discussions with the company, Alro asked whether the City still intends to extend Parkland Drive to the east as the park plan originally calls for. And, if not, would Alro be able to get permission to build a driveway for heavy equipment along the north end of their property.

There are advantages to extending the road over allowing the additional access drive – primarily, it provides a good northern access to the balance of the undeveloped property in the park. With a developed northern access, and easy southern access from Packard Highway, the property is easier to show prospects.

Alro has indicated the possibility of contributing to the construction of the roadway, since it would have spent considerable money on the driveway. The city's Local Development Finance Authority Board met with Alro Steel on Tuesday, April 4, to discuss this project in terms of the property sale and the roadway extension.

After discussing it, the LDFA voted their basic support of the project and asked me to begin the process of selling the property and to add the roadway extension to its FY2017-18 budget.

DPW Director Amy Gilson has estimated a 400-foot extension of Parkland Drive, together with a 200-foot extension of 12-inch water main (200 feet already exists) would be approximately \$250,000.

City Attorney Tom Hitch has reviewed the proposed purchase agreement (letter of intent) from Alro and has approved its form and content, with the understanding that certain dates need to be adjusted before final adoption.

Please feel free to contact me if you have any questions about this.