City of High Point

Municipal Office Building
211 S. Hamilton Street
High Point, NC 27260

Meeting Agenda

Thursday, October 19, 2017

2:00 PM

Council Chambers

Special Called Meeting of City Council

William S. Bencini, Jr., Mayor
James C. Davis, Mayor Pro Tem
Latimer B. Alexander, IV, Cynthia Y. Davis,
Jason P. Ewing, Jeffrey J. Golden,
Alyce E. Hill, Christopher Williams,
Jay W. Wagner

Roll Call, Prayer & Pledge of Allegiance

Agenda Items

170361 Presentation - Catalyst Project Master Developer - Tim Elliott
Mr. Tim Elliott, Elliott Sidewalk Communities, will give a presentation on the proposed private development on City owned land around the Multi-Use Stadium area.

Attachments: Presentation - Tim Elliott - 2017_1018_HighPoint Development Summary_rev1(

170362 Master Developer Initial Agreement - Multi-Use Stadium
Consideration of approval of the initial Master Developer Agreement with Elliott Sidewalk Communities that forms the basis for further coordinating and initiating the proposed private development on City-owned land around the Multi-Use Stadium.

Attachments: Master Developer Initial Development Agreement 10_19_17
High Point Downtown ESC Initial Development Contract 10 19 17 with EXHIBIT

170366 Incentives Agreement - Multi-Use Stadium - Elliott Sidewalk Communities
Consideration of approval of the Incentives Agreement with Elliott Sidewalk Communities for development of the land around the proposed Multi-Use Stadium.

Attachments: Master Developer Incentives Agreement 10_17_17
High Point Downtown ESC Incentives Contract 10 19 17 with EXHIBITS

170363 Financing Plan for Multi-Use Stadium
Presentation and consideration of a Financing Plan for the Multi-Use Stadium.

Attachments: City of High Point NC - Update Materials 10.19.17 - Davenport

170364 Budget Ordinance Amendment - Crime Scene Technicians
Council is requested to adopt a budget ordinance amending the 2017-2018 Annual Budget to appropriate funds in the amount of $120,000.00 for addition of two Crime Scene Technicians positions in the Police Department.

Attachments: Budget Ordinance Amendment - Police Crime Scene Technicians

170365 Closed Session of City Council
Pursuant to N.C. General Statute 143-318.11(a)(3) for Attorney-Client privilege to discuss litigation regarding Seaboard Chemical; and pursuant to NCGS §143-318.11(5)(i) to establish or instruct City staff concerning negotiations on material terms relating to the acquisition of real property by purchase, option, exchange, or lease.

Adjournment

CITY OF HIGH POINT
AGENDA ITEM

Title: Initial Development Agreement For Catalyst Project

From: Randy Hemann

Public Hearing: N/A

Attachments: Initial Development Agreement

Meeting Date: October 19, 2017

Advertising Date: N/A

Advertised By: N/A

PURPOSE:
The Initial Development Agreement with Elliott Sidewalk Communities (ESC) is the contract that forms the basis for further coordinating and initiating the proposed private development on City owned land around the Multi Use Stadium.

BACKGROUND:
On August 21, 2017 Tim Elliott with Elliott Sidewalk Communities was introduced to City Council as the Master Developer selected to lead the private development for the Catalyst Project. Per the attached agreement, Elliott will be responsible for design, legal work, engineering, architecture, feasibility and marketing of the roughly 6 ½ acres of City Owned property which will be sold for private development. According to the agreement, a total of $599,500 of compensation for Elliott will be expended from the $15 million approved for land purchases and site design on April 3, 2017. A more detailed Final Development Agreement which incorporates the detailed design developed during this Agreement will follow as plans are finalized. That Agreement will be brought to the Council for consideration in the near future.

BUDGET IMPACT:
N/A

RECOMMENDATION / ACTION REQUESTED:
Staff recommends approval of the Initial Development Agreement with Elliott Sidewalk Communities.

INCENTIVES AGREEMENT

THIS INCENTIVES DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of the _____ day of October, 2017 (the "Effective Date"), by and between the **CITY OF HIGH POINT,** a municipal corporation organized and existing under the laws of the State of North Carolina, with a mailing address of 211 South Hamilton, High Point, North Carolina 27261 (the "City"); the **FORWARD HIGH POINT INC.,** a non-profit organization, with a mailing address of 164 South Main Street, Suite 606, High Point, North Carolina 27260 ("FHP"); and **ELLIOTT SIDEWALK COMMUNITIES HIGH POINT LLC,** a North Carolina limited liability company, with a mailing address of 14545 Manor Road, Phoenix, Maryland 21131 ("ESC") (each individually, a "Party", and collectively, the "Parties").

RECITALS

WHEREAS, the City and FHP have worked together in order to orchestrate and support the development of several mixed use real estate developments on various sites in underutilized areas in Downtown High Point, to be known collectively as the "Downtown High Point Project"; and

WHEREAS, the City and FHP have identified multiple available real estate development opportunities, properties and buildings which could be included in the development of the Downtown High Point Project as generally outlined on the Concept Development Plan, General Land Use Plan, and Elm Street Connection Map attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the City and FHP have identified potential economic development initiatives including a business recruitment strategy, a university-affiliated active adult community, residential, office and retail developments and new infrastructure which could be incorporated into the Downtown High Point Project; and

WHEREAS, the City has endorsed the Downtown High Point Project development strategy, is the owner of significant sites and buildings which are in the area designated for the development and has put in place redevelopment and financing plans to support the Downtown High Point Project development; and

WHEREAS, FHP has a contractual interest in land in the area of the Downtown High Point Project and is currently engaged in environmental assessment and remediation activities intended to ready this land for redevelopment and other work to assemble real properties and to assist in the development of the Downtown High Point Project; and

WHEREAS, FHP issued a Request for Qualifications and Interest for the purpose of identifying and selecting a development team to design, develop and execute real estate development strategies focused on the Downtown High Point Project; and

WHEREAS, the City and FHP have determined that working with a master developer is the best course of action to achieve the goals and desired results stated in the Downtown High Point Project Park vision; and

WHEREAS, the City and FHP have agreed that it is in their mutual interests to negotiate a Master Development Agreement with ESC that, when executed, would designate ESC as the Master Developer for the Downtown High Point Project; and

WHEREAS, the City, FHP, and ESC have entered into an Initial Development Agreement contemporaneously with this Agreement for the purpose of creating a binding agreement concerning the initial stages of development of the Downtown High Point Project (the "Initial Development Agreement"); and

WHEREAS, this Agreement sets forth the rights and liabilities of the Parties with respect to the sale of land upon completion of the construction of the Downtown High Point Project so as to legally bind both the Parties. This Agreement shall be carried out in conjunction with future agreements between the Parties necessary to complete the Downtown High Point Project, including (without limitation), a Master Development Agreement, Phase Redevelopment Agreements (as necessary) and Land Disposition Agreements (collectively, the "Development Agreements").

NOW, THEREFORE, in consideration of the foregoing Recitals, the Parties hereby agree as follows:

TERMS AND CONDITIONS

1. Binding Agreement

(a) Binding Agreement. This Agreement constitutes a binding contract between the City, FHP, and ESC. The benefits and obligations set forth in this Agreement shall pass to any Party's successor or assigns.

(b) Good Faith. The Parties shall proceed in good faith to complete draft Development Agreements for consideration by all Parties on or before December 1, 2017.

2. Term

(a) Effective Date. This Agreement shall take effect as of the Effective Date and continue to the end of the five (5) year period following the Effective Date (the "Expiration Date").

(b) Extension. Prior to the Expiration Date the parties may elect to extend the Agreement pursuant to the terms herein or upon such other terms and conditions as may be mutually agreed upon by the Parties and set forth in writing.

3. Termination of Agreement

(a) As of Effective Date. This Agreement shall automatically terminate upon the Expiration Date, as may be amended, and be null and void and of no further force and effect without the need for notice of termination.

(b) Development Must Be Economically Viable. ESC or the City may terminate this Agreement by written notice if either concludes, in its sole discretion, the development is not economically viable.

(c) Advancement of Project. In the event that the City reasonably determines that ESC is failing to move the project forward in accordance with the provisions herein, and ESC fails to cure such deficiencies, upon written notice from City setting forth the remedial actions required of ESC to rectify such failure within sixty (60) days or such longer reasonable time as may be required to cure such deficiencies, then the City may terminate this Agreement upon delivery of an additional written notice to ESC, whereupon this Agreement shall be null and void and of no further force and effect.

(d) Suspension by the City for Convenience. The City may, without cause, order FHP or ESC to suspend, delay, or interrupt the work to be completed under Section 5(e) in whole or in part for such period of time as the City may determine ("Suspension").

(i) Upon receipt of written notice from the City of such Suspension for the City's convenience, FHP and ESC shall:

(1) cease operations and cause all operations to be ceased within three (3) business days of notice of Suspension as directed by the City

(the third business day after the City provides notice of Suspension shall be the date of “Termination”);

(2) take actions necessary, or that the City may direct, for the protection and preservation of ESC’s work product and any work product commissioned from third party contractors concerning the Downtown High Point Project to the extent that it is completed;

(3) except for work in progress that is reasonably directed to be completed in the notice of Suspension, terminate all existing Downtown High Point Project agreements by the date of Termination, including the Initial Agreement, and enter into no further Downtown High Point Project agreements.

(ii) ESC shall be entitled to receive incentive compensation pursuant to this Agreement, as outlined in Exhibit C attached hereto and incorporated herein, for improvements made to the Downtown High Point Project that are subject to completion but not complete by the date of Termination.

(iii) In the case of such Suspension for the City’s convenience, FHP and ESC shall be entitled to receive payment for work required under Section 5(e) and pursuant to the Initial Agreement that has already been performed and work product completed as of the date of Termination, and costs incurred by reason of such Suspension, along with reasonable overhead and profit on the Downtown High Point Project work detailed in Section 5(e) not executed.

4. Properties

(a) Properties. The Downtown High Point Project, as currently envisioned, encompasses multiple parcels of land owned by various entities, portions of which are non-contiguous (the “Properties”). The Parties acknowledge that certain rights and obligations shall exist for certain property categories, which shall be defined as follows:

(i) Primary Properties - Parcels of land owned and controlled by the City and FHP that are located within the area known as the Baseball Stadium site, shown on Exhibit B attached hereto and incorporated herein, as outlined in red and designated “Land Controlled by City.”

(ii) Secondary Properties - Parcels of land owned and controlled by the City and FHP that are located outside the Baseball Stadium site area, but are encompassed within the area designated for the Downtown High Point Project development, shown on Exhibit B attached hereto and incorporated herein, as outlined in brown and designated “Stadium Development District,” excluding the Primary Properties outlined in red.

(iii) Ancillary Properties - Parcels of land owned and controlled by the City, FHP and other private entities that are encompassed within the area designated for the Downtown High Point Project development or complementary to the Primary and Secondary Properties.

(b) Segmentation. The Downtown High Point Project development will be segmented and completed in several phases over time, to be further defined in the Development Agreements.

(c) Exclusion for Development and Construction. The proposed Stadium, Children's Museum and Event Center (collectively, the "Excluded Properties") are included under this Agreement for all master planning purposes, such as location, sizing, exterior appearance, etc., but are to be developed and constructed by third Parties and are excluded from the provisions of this Agreement as to development and construction.

5. ESC Rights and Obligations

(a) Exclusive Properties. ESC shall have the exclusive right to develop the Primary and Secondary Properties (collectively, the "Exclusive Properties") subject to and pursuant to the provisions of the Development Agreements as may be approved in the future.

(b) Parcel Sales. The Development Agreements shall provide that the Exclusive Properties (or such portion thereof as may comprise a segment of a development phase) shall be conveyed by the City or FHP to ESC by way of marketable, fee simple title at fair market value. The Development Agreements shall establish predetermined parcel sale prices, or a mechanism for calculating such parcel sale prices.

(c) Master Plan. ESC shall work with the City and FHP to establish a conceptual master plan for Downtown High Point Project that is compatible with the goals of the Parties to this Agreement for the Downtown High Point Project (the "Master Plan"). The Master Plan will identify proposed transit alignments, building envelopes, uses, setbacks, building heights, densities, architectural guidelines, site access, parking, infrastructure requirements and other elements deemed necessary by the Parties. It is understood by the Parties that the Master Plan may initially focus on the Primary Properties for the initial phases, while reasonably taking into account the opportunities for development of the Secondary and Ancillary Properties and future phases. Regarding the Secondary and Ancillary Properties, ESC shall:

(i) Advise private property owners in the area of the Downtown High Point Project regarding how their properties can support the development of the Downtown High Point Project.

(ii) Advise FHP regarding how property it owns or controls in the area of the Downtown High Point Project can support the development of the Downtown High Point Project.

(d) Preliminary Due Diligence. During the term of the Agreement, ESC shall complete all preliminary due diligence tasks required to analyze the market, conceptualize the development program, identify potential impediments, and determine the financial feasibility of Downtown High Point Project (the "Preliminary Tasks"). The conclusions drawn from the Preliminary Tasks shall influence the Master Plan and the structure of the Development Agreements.

(e) Initial Work to Be Completed. ESC shall complete the initial work on the Downtown High Point Project according to the timeline and corresponding budget as set forth the Initial Agreement.

(f) Reports and Recommendations. Following the completion of the Preliminary Tasks set forth in the Initial Agreement and the creation of a draft Master Plan, ESC shall present reports and recommendations to the City, FHP, The Baseball Team ownership entity, and key institutions of the Downtown area and seek approvals of the Master Plan from the City. Following the approval of the Master Plan, ESC shall begin the creation and negotiation of the Development Agreements with the City.

6. City Rights and Obligations

(a) Exclusive Master Development Agreement. For so long as this Agreement remains in full force and effect, the City shall not enter into negotiations or any other discussions with Parties other than ESC or its affiliated entities concerning the creation of a Master Development Agreement for the Downtown High Point Project. The City may, however, with the express written approval of ESC, enter into discussions with prospective Downtown High Point Project occupants and potential local development partners.

(b) Exclusive Disposition of Property. For so long as this Agreement remains in full force and effect, and excepting any property that is included in the Excluded Properties, the City shall not to enter into negotiations or any other discussions concerning the disposition of any Primary Property or Secondary Property owned by the City of High Point, as herein defined, with any party other than ESC or its affiliated entities without the written consent of ESC.

(c) Compliance of Master Plan. The City agrees to work in good faith with ESC to either:

   (i) Ensure that the Master Plan is compliant with the local planning and zoning regulations; or

   (ii) Establish a planned unit development (PUD), overlay district, development agreement or similar legislative mechanism to allow for development of the Master Plan.

(d) Coordinating Approvals. The City shall make good faith efforts to assist ESC in seeking approvals described under Section 5(f) herein by coordinating with these entities when practicable to streamline the approvals process.

(e) Facilitating Necessary Subsidies. The City shall work with ESC to consider all potential public funding sources and other available subsidy instruments including (without limitation) public grants, tax credits, PILOTs, Municipal Service District taxing authority, other public financing mechanisms, and public ownership, should ESC conclude pursuant to due diligence required under Section 5(d) herein that the feasibility of some or all phases of development may require public subsidies. To the extent that ESC elects to pursue subsidies from public or quasi-public agencies beyond the municipal level, the City shall reasonably sponsor or facilitate the pursuit of such subsidies in conjunction with ESC, or on behalf of Downtown High Point Project.

(f) Payment of Fees. The City shall pay fees owed to ESC according to Section 8 herein.

7. FHP Rights and Obligations

(a) Exclusive Disposition of Property. For so long as this Agreement remains in full force and effect, and excepting any property that is included in the Excluded Properties, FHP shall not enter into negotiations or any other discussions concerning the disposition of any Primary Property or Secondary Property owned or controlled by FHP, as herein defined, with any party other than ESC or its affiliated entities without the written consent of ESC.

(i) FHP shall support ESC in the creation and implementation of business and job recruitment strategies to support real estate investments in the Downtown High Point Project.

(ii) FHP shall support and assist the City, ESC, and the Baseball Team ownership entity as requested.

8. Compensation

(a) Incentives. In addition to the fees payable to ESC for its work on the Downtown High Point Project as set forth in the Initial Development Agreement, ESC shall be entitled to receive and shall be paid the incentive compensation set forth in the incentive compensation plan ("Incentive Compensation Plan") mutually agreed upon by all Parties and attached hereto as Exhibit C, for development of the parcels of real property contained in the High Point Development District ("Development District") as outlined on Exhibit B attached hereto and made a part hereof. The land shall be sold with a balloon payment due on the original purchase price after construction is complete. Incentives due to ESC under this paragraph, with the exception of incentives due upon the City's Suspension for Convenience as defined and detailed in Section 3(d)(ii) herein, will be paid at substantial completion of construction, as evidenced by the issuance of a Certificate of Occupancy from the appropriate governmental official.

9. Publicity and Communication

(a) FHP shall work with ESC in the creation of the Master Plan and to facilitate communications among all the Parties to this agreement. FHP and ESC shall meet at least monthly during the term of this Agreement, and along with ESC, shall provide progress reports to the City on a regular basis.

10. Development Agreements

(a) At the conclusion of this Agreement, ESC and the City shall negotiate in good faith the Development Agreements. The Development Agreements will consist principally of a Master Development Agreement with supplementary agreements including (without limitation) Phase Development Agreements and Land Disposition Agreements as described below:

(i) Master Development Agreement - Establishes the rights and obligations of the Parties with respect to the overall Downtown High Point Project Development.

(ii) Phase Development Agreements - Establishes the rights and obligations with respect to individual components of the Master Plan.

(iii) Land Disposition Agreements - Establishes the terms and schedule pursuant to which certain land will be conveyed by the City to ESC.

11. Access and Inspections

(a) The City and FHP shall ensure that ESC and its designees and consultants are able to obtain reasonable access to their respective properties to perform such testing and inspections as deemed necessary by ESC. ESC shall provide its employees, designees and consultants with the appropriate safety equipment for accessing the property, and that ESC shall cause its contractors to observe all applicable workplace rules and regulations. ESC shall cause its designees and consultants to carry appropriate insurance for their anticipated activities on the City and FHP Properties. ESC shall coordinate such site access with the City and FHP and carry out such activities in a manner that minimizes disruption.

(i) To the extent that ESC and its designees and consultants require site access to Ancillary Properties, or other properties complementary to the Downtown High Point Project Master Plan, the City and FHP shall use their good faith efforts to assist ESC in gaining site access.

12. Public Engagement

(a) Periodic Meetings with Public. ESC shall host periodic meetings with the City and FHP in High Point on a mutually agreed-upon schedule to engage local stakeholders, public officials, and quasi- public officials to gather input and provide updates related to the progress of Downtown High Point Project.

(b) Periodic Meetings with City Council. ESC shall schedule meetings on an approximately bimonthly basis with the City Council in High Point to gather input, feedback, and provide updates related to the progress of Downtown High Point Project.

13. Transferability

(a) ESC may assign its rights and obligations hereunder to an entity affiliated with ESC with the written consent of the City; the City shall not unreasonably withhold such consent.

14. Amendments

(a) This Agreement may be modified only by written amendment executed by the Parties.

15. Authority to Bind

(a) By signing below, the signatory warrants to having authority to bind the Party to this Agreement.

16. Headings

(a) The headings of the sections and subsections of this Agreement are for the convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof or thereof.

17. Notices

(a) Any notices required hereunder shall be sent by hand delivery, by overnight courier service for next day delivery, by electronic mail, or by certified mail, return receipt requested as follows:

If to the City:
City Manager
211 South Hamilton Street
High Point, North Carolina 27260

With a copy to:
City Attorney
211 South Hamilton Street
High Point, North Carolina 27260

If to FHP:
Executive Director
164 South Main Street, Suite 606
High Point, North Carolina 27260

With a copy to:
Doyle Early
Wyatt Early
Harris & Wheeler, LLP
1912 Eastchester Drive
High Point, North Carolina 27265

If to ESC:
Mr. Tim Elliott
14545 Manor Road
Phoenix, Maryland 21131

With a copy to:
James R. Deveney, II
1122 Kenilworth Drive, Suite 418
Towson, Maryland 21204

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement as of the ___ of October, 2017.

City of High Point

By: ____________________________

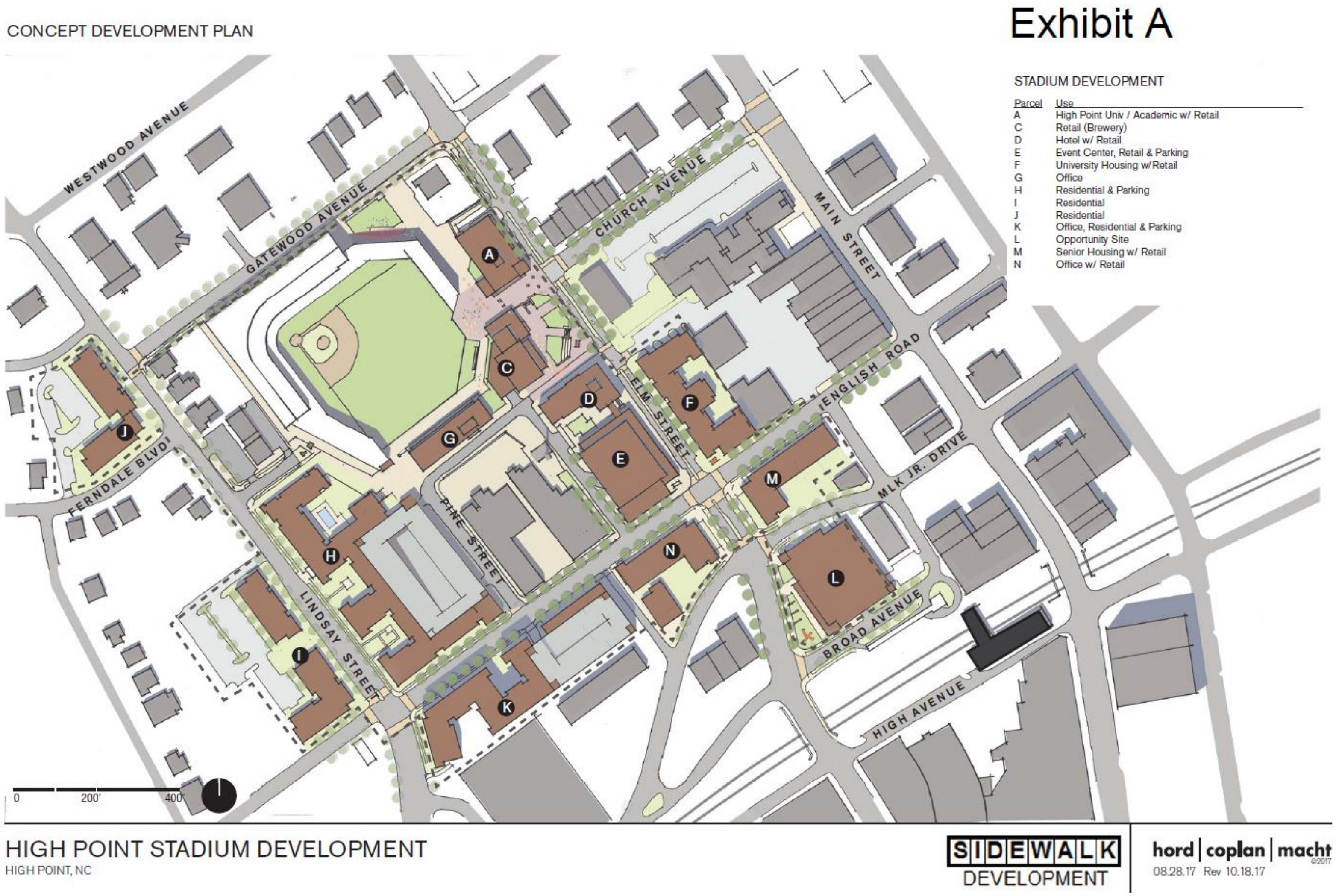
Forward High Point Inc.

By: ____________________________

Elliott Sidewalk Communities High Point LLC

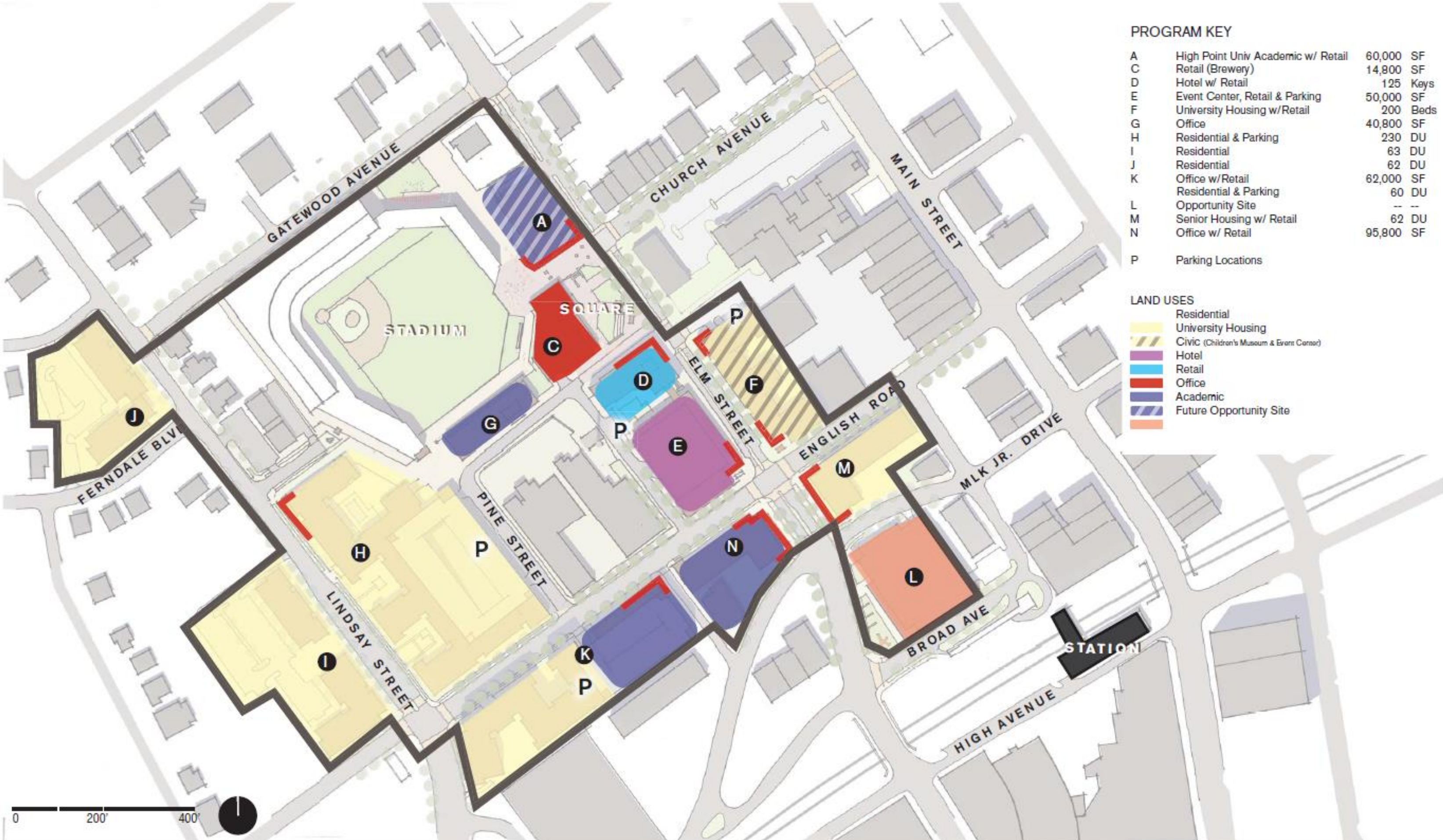
By: ____________________________

Exhibit A
Concept Development Plan



PPAB 3913942v3

GENERAL LAND USE PLAN



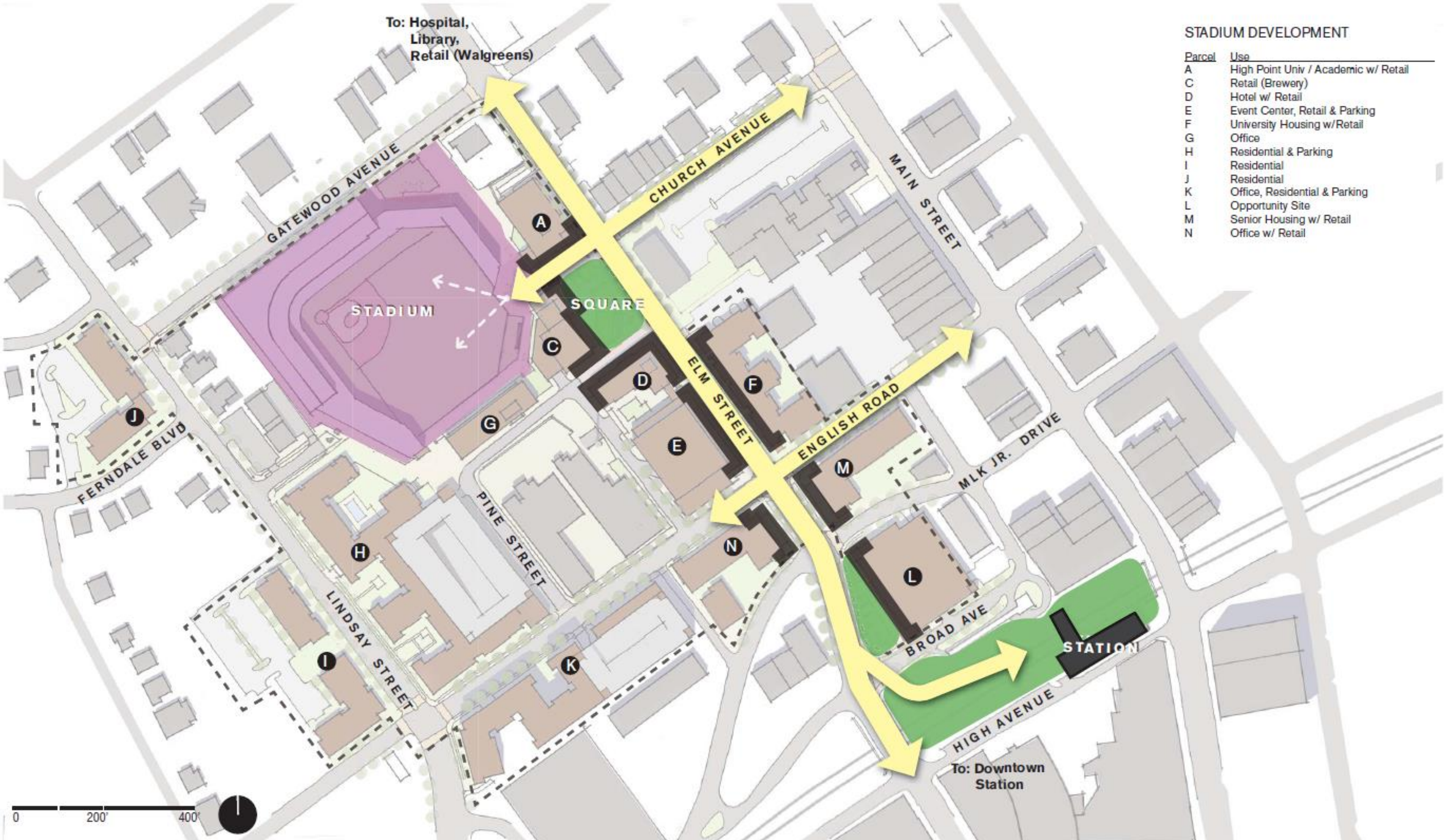
HIGH POINT STADIUM DEVELOPMENT
HIGH POINT, NC

SIDEWALK DEVELOPMENT

hord | coplan | macht ©2017
08.28.17 Rev 10.18.17

PPAB 3913942v3

ELM STREET CONNECTION



HIGH POINT STADIUM DEVELOPMENT
HIGH POINT, NC

SIDEWALK DEVELOPMENT

hord | coplan | macht ©2017
08.28.17 Rev 10.18.17

Exhibit B
Primary and Secondary Properties

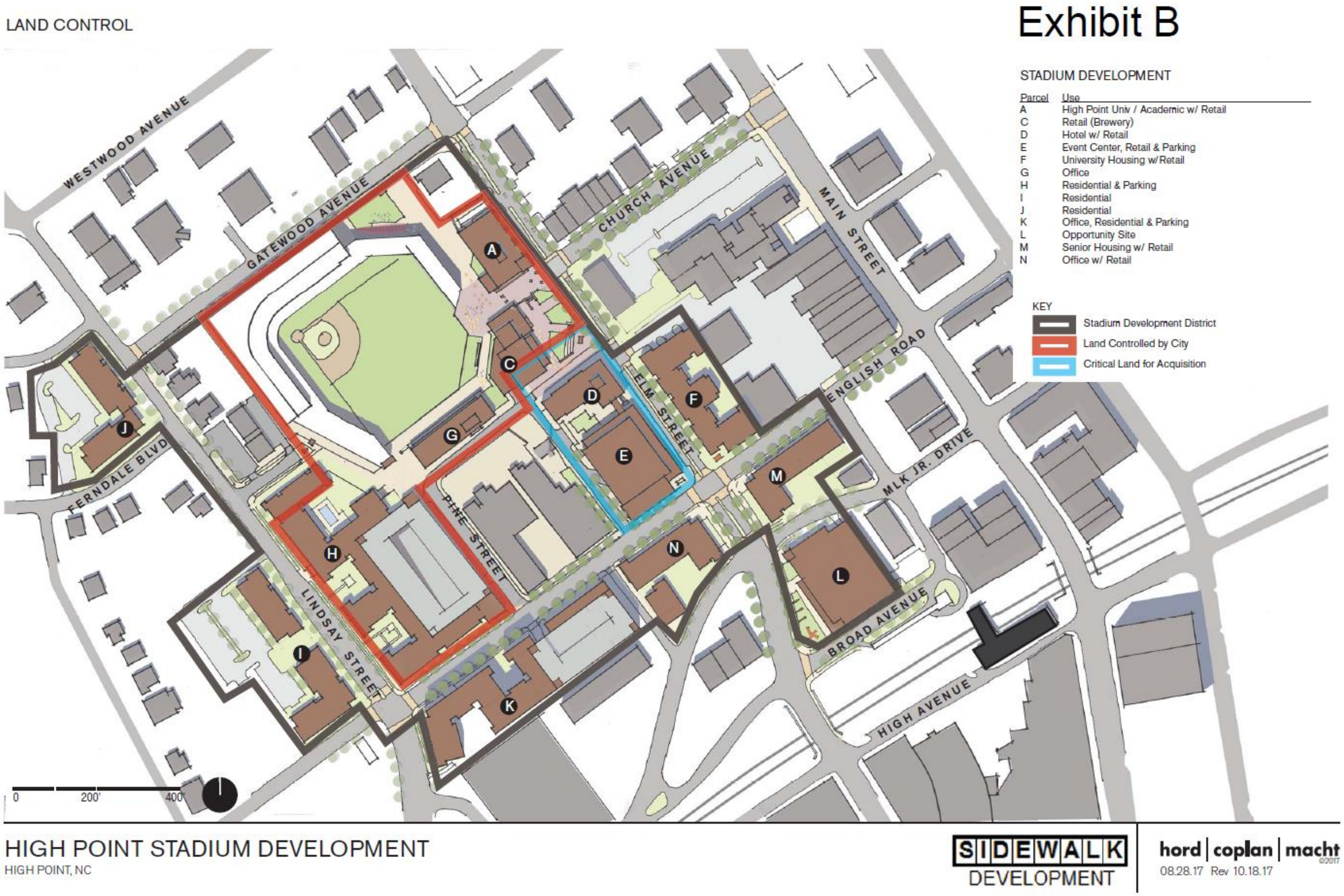


Exhibit C
Incentives Compensation Plan

City Fees to Sidewalk	
Office	$2.00 per SF
Retail	$2.00 per SF
Residential	$1,000 per Unit
Hotel	$1,000 per Key
Senior Housing	$1,500 per Unit

Parcels	**Factor**	**City Owned**	**Non- City**
Parcel A -Acad./Retail/Office	60,000		
Office Space	7,500	$ 15,000	
Retail Space	7,500	$ 15,000	
Academic Space	45,000	$ 90,000	
Parcel B - Children's Museum		$ -	
Parcel C - Brewery/Restaurant	14,800	$ 29,600	
Parcel D - Hotel	125	$ 125,000	
Parcel E - Event Center		$ -	
Parcel F -Grad Housing	100		$ 100,000
Parcel G - Office	40,800	$ 81,600	
Parcel H - Residential	250	$ 250,000	
Parcel I - Residential	63		$ 63,000
Residential	62		$ 62,000
Office/Residential			
Office	54,000		$ 108,000
Residential	60		$ 60,000
Parcel L - Opportunity	TBD		TBD
Parcel M – Senior Housing	62		$ 93,000
Parcel N - Office	98,500		$ 197,000
Retail Space aggregate			
City Owned Parcels			
Total	**Subtotal**	**$ 606,200**	**$ 683,000**

Grand Total	**$ 1,289,200**

INCENTIVES AGREEMENT

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RECITALS

WHEREAS, the City and FHP have worked together in order to orchestrate and support the development of several mixed use real estate developments on various sites in underutilized areas in Downtown High Point, to be known collectively as the "Downtown High Point Project"; and

WHEREAS, the City and FHP have identified multiple available real estate development opportunities, properties and buildings which could be included in the development of the Downtown High Point Project as generally outlined on the Concept Development Plan, General Land Use Plan, and Elm Street Connection Map attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the City and FHP have identified potential economic development initiatives including a business recruitment strategy, a university-affiliated active adult community, residential, office and retail developments and new infrastructure which could be incorporated into the Downtown High Point Project; and

WHEREAS, the City has endorsed the Downtown High Point Project development strategy, is the owner of significant sites and buildings which are in the area designated for the development and has put in place redevelopment and financing plans to support the Downtown High Point Project development; and

WHEREAS, FHP has a contractual interest in land in the area of the Downtown High Point Project and is currently engaged in environmental assessment and remediation activities intended to ready this land for redevelopment and other work to assemble real properties and to assist in the development of the Downtown High Point Project; and

WHEREAS, FHP issued a Request for Qualifications and Interest for the purpose of identifying and selecting a development team to design, develop and execute real estate development strategies focused on the Downtown High Point Project; and

WHEREAS, the City and FHP have determined that working with a master developer is the best course of action to achieve the goals and desired results stated in the Downtown High Point Project Park vision; and

WHEREAS, the City and FHP have agreed that it is in their mutual interests to negotiate a Master Development Agreement with ESC that, when executed, would designate ESC as the Master Developer for the Downtown High Point Project; and

WHEREAS, the City, FHP, and ESC have entered into an Initial Development Agreement contemporaneously with this Agreement for the purpose of creating a binding agreement concerning the initial stages of development of the Downtown High Point Project (the "Initial Development Agreement"); and

WHEREAS, this Agreement sets forth the rights and liabilities of the Parties with respect to the sale of land upon completion of the construction of the Downtown High Point Project so as to legally bind both the Parties. This Agreement shall be carried out in conjunction with future agreements between the Parties necessary to complete the Downtown High Point Project, including (without limitation), a Master Development Agreement, Phase Redevelopment Agreements (as necessary) and Land Disposition Agreements (collectively, the "Development Agreements").

NOW, THEREFORE, in consideration of the foregoing Recitals, the Parties hereby agree as follows:

TERMS AND CONDITIONS

1. Binding Agreement

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(b) Good Faith. The Parties shall proceed in good faith to complete draft Development Agreements for consideration by all Parties on or before December 1, 2017.

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(b) Extension. Prior to the Expiration Date the parties may elect to extend the Agreement pursuant to the terms herein or upon such other terms and conditions as may be mutually agreed upon by the Parties and set forth in writing.

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(b) Development Must Be Economically Viable. ESC or the City may terminate this Agreement by written notice if either concludes, in its sole discretion, the development is not economically viable.

(c) Advancement of Project. In the event that the City reasonably determines that ESC is failing to move the project forward in accordance with the provisions herein, and ESC fails to cure such deficiencies, upon written notice from City setting forth the remedial actions required of ESC to rectify such failure within sixty (60) days or such longer reasonable time as may be required to cure such deficiencies, then the City may terminate this Agreement upon delivery of an additional written notice to ESC, whereupon this Agreement shall be null and void and of no further force and effect.

(d) Suspension by the City for Convenience. The City may, without cause, order FHP or ESC to suspend, delay, or interrupt the work to be completed under Section 5(e) in whole or in part for such period of time as the City may determine ("Suspension").

(i) Upon receipt of written notice from the City of such Suspension for the City's convenience, FHP and ESC shall:

(1) cease operations and cause all operations to be ceased within three (3) business days of notice of Suspension as directed by the City

(the third business day after the City provides notice of Suspension shall be the date of "Termination");

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(ii) ESC shall be entitled to receive incentive compensation pursuant to this Agreement, as outlined in Exhibit C attached hereto and incorporated herein, for improvements made to the Downtown High Point Project that are subject to completion but not complete by the date of Termination.

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(i) Primary Properties - Parcels of land owned and controlled by the City and FHP that are located within the area known as the Baseball Stadium site, shown on Exhibit B attached hereto and incorporated herein, as outlined in red and designated "Land Controlled by City."

(ii) Secondary Properties - Parcels of land owned and controlled by the City and FHP that are located outside the Baseball Stadium site area, but are encompassed within the area designated for the Downtown High Point Project development, shown on Exhibit B attached hereto and incorporated herein, as outlined in brown and designated "Stadium Development District," excluding the Primary Properties outlined in red.

(iii) Ancillary Properties - Parcels of land owned and controlled by the City, FHP and other private entities that are encompassed within the area designated for the Downtown High Point Project development or complementary to the Primary and Secondary Properties.

(b) Segmentation. The Downtown High Point Project development will be segmented and completed in several phases over time, to be further defined in the Development Agreements.

(c) Exclusion for Development and Construction. The proposed Stadium, Children's Museum and Event Center (collectively, the "Excluded Properties") are included under this Agreement for all master planning purposes, such as location, sizing, exterior appearance, etc., but are to be developed and constructed by third Parties and are excluded from the provisions of this Agreement as to development and construction.

5. **ESC Rights and Obligations**

(a) Exclusive Properties. ESC shall have the exclusive right to develop the Primary and Secondary Properties (collectively, the "Exclusive Properties") subject to and pursuant to the provisions of the Development Agreements as may be approved in the future.

(b) Parcel Sales. The Development Agreements shall provide that the Exclusive Properties (or such portion thereof as may comprise a segment of a development phase) shall be conveyed by the City or FHP to ESC by way of marketable, fee simple title at fair market value. The Development Agreements shall establish predetermined parcel sale prices, or a mechanism for calculating such parcel sale prices.

(c) Master Plan. ESC shall work with the City and FHP to establish a conceptual master plan for Downtown High Point Project that is compatible with the goals of the Parties to this Agreement for the Downtown High Point Project (the "Master Plan"). The Master Plan will identify proposed transit alignments, building envelopes, uses, setbacks, building heights, densities, architectural guidelines, site access, parking, infrastructure requirements and other elements deemed necessary by the Parties. It is understood by the Parties that the Master Plan may initially focus on the Primary Properties for the initial phases, while reasonably taking into account the opportunities for development of the Secondary and Ancillary Properties and future phases. Regarding the Secondary and Ancillary Properties, ESC shall:

(i) Advise private property owners in the area of the Downtown High Point Project regarding how their properties can support the development of the Downtown High Point Project.

(ii) Advise FHP regarding how property it owns or controls in the area of the Downtown High Point Project can support the development of the Downtown High Point Project.

(d) Preliminary Due Diligence. During the term of the Agreement, ESC shall complete all preliminary due diligence tasks required to analyze the market, conceptualize the development program, identify potential impediments, and determine the financial feasibility of Downtown High Point Project (the "Preliminary Tasks"). The conclusions drawn from the Preliminary Tasks shall influence the Master Plan and the structure of the Development Agreements.

(e) Initial Work to Be Completed. ESC shall complete the initial work on the Downtown High Point Project according to the timeline and corresponding budget as set forth the Initial Agreement.

(f) Reports and Recommendations. Following the completion of the Preliminary Tasks set forth in the Initial Agreement and the creation of a draft Master Plan, ESC shall present reports and recommendations to the City, FHP, The Baseball Team ownership entity, and key institutions of the Downtown area and seek approvals of the Master Plan from the City. Following the approval of the Master Plan, ESC shall begin the creation and negotiation of the Development Agreements with the City.

6. City Rights and Obligations

(a) Exclusive Master Development Agreement. For so long as this Agreement remains in full force and effect, the City shall not enter into negotiations or any other discussions with Parties other than ESC or its affiliated entities concerning the creation of a Master Development Agreement for the Downtown High Point Project. The City may, however, with the express written approval of ESC, enter into discussions with prospective Downtown High Point Project occupants and potential local development partners.

(b) Exclusive Disposition of Property. For so long as this Agreement remains in full force and effect, and excepting any property that is included in the Excluded Properties, the City shall not to enter into negotiations or any other discussions concerning the disposition of any Primary Property or Secondary Property owned by the City of High Point, as herein defined, with any party other than ESC or its affiliated entities without the written consent of ESC.

(c) Compliance of Master Plan. The City agrees to work in good faith with ESC to either:

(i) Ensure that the Master Plan is compliant with the local planning and zoning regulations; or

(ii) Establish a planned unit development (PUD), overlay district, development agreement or similar legislative mechanism to allow for development of the Master Plan.

(d) Coordinating Approvals. The City shall make good faith efforts to assist ESC in seeking approvals described under Section 5(f) herein by coordinating with these entities when practicable to streamline the approvals process.

(e) Facilitating Necessary Subsidies. The City shall work with ESC to consider all potential public funding sources and other available subsidy instruments including (without limitation) public grants, tax credits, PILOTs, Municipal Service District taxing authority, other public financing mechanisms, and public ownership, should ESC conclude pursuant to due diligence required under Section 5(d) herein that the feasibility of some or all phases of development may require public subsidies. To the extent that ESC elects to pursue subsidies from public or quasi-public agencies beyond the municipal level, the City shall reasonably sponsor or facilitate the pursuit of such subsidies in conjunction with ESC, or on behalf of Downtown High Point Project.

(f) Payment of Fees. The City shall pay fees owed to ESC according to Section 8 herein.

7. FHP Rights and Obligations

(a) Exclusive Disposition of Property. For so long as this Agreement remains in full force and effect, and excepting any property that is included in the Excluded Properties, FHP shall not enter into negotiations or any other discussions concerning the disposition of any Primary Property or Secondary Property owned or controlled by FHP, as herein defined, with any party other than ESC or its affiliated entities without the written consent of ESC.

(i) FHP shall support ESC in the creation and implementation of business and job recruitment strategies to support real estate investments in the Downtown High Point Project.

(ii) FHP shall support and assist the City, ESC, and the Baseball Team ownership entity as requested.

8. Compensation

(a) Incentives. In addition to the fees payable to ESC for its work on the Downtown High Point Project as set forth in the Initial Development Agreement, ESC shall be entitled to receive and shall be paid the incentive compensation set forth in the incentive compensation plan ("Incentive Compensation Plan") mutually agreed upon by all Parties and attached hereto as Exhibit C, for development of the parcels of real property contained in the High Point Development District ("Development District") as outlined on Exhibit B attached hereto and made a part hereof. The land shall be sold with a balloon payment due on the original purchase price after construction is complete. Incentives due to ESC under this paragraph, with the exception of incentives due upon the City's Suspension for Convenience as defined and detailed in Section 3(d)(ii) herein, will be paid at substantial completion of construction, as evidenced by the issuance of a Certificate of Occupancy from the appropriate governmental official.

9. Publicity and Communication

(a) FHP shall work with ESC in the creation of the Master Plan and to facilitate communications among all the Parties to this agreement. FHP and ESC shall meet at least monthly during the term of this Agreement, and along with ESC, shall provide progress reports to the City on a regular basis.

10. Development Agreements

(a) At the conclusion of this Agreement, ESC and the City shall negotiate in good faith the Development Agreements. The Development Agreements will consist principally of a Master Development Agreement with supplementary agreements including (without limitation) Phase Development Agreements and Land Disposition Agreements as described below:

(i) Master Development Agreement - Establishes the rights and obligations of the Parties with respect to the overall Downtown High Point Project Development.

(ii) Phase Development Agreements - Establishes the rights and obligations with respect to individual components of the Master Plan.

(iii) Land Disposition Agreements - Establishes the terms and schedule pursuant to which certain land will be conveyed by the City to ESC.

11. Access and Inspections

(a) The City and FHP shall ensure that ESC and its designees and consultants are able to obtain reasonable access to their respective properties to perform such testing and inspections as deemed necessary by ESC. ESC shall provide its employees, designees and consultants with the appropriate safety equipment for accessing the property, and that ESC shall cause its contractors to observe all applicable workplace rules and regulations. ESC shall cause its designees and consultants to carry appropriate insurance for their anticipated activities on the City and FHP Properties. ESC shall coordinate such site access with the City and FHP and carry out such activities in a manner that minimizes disruption.

(i) To the extent that ESC and its designees and consultants require site access to Ancillary Properties, or other properties complementary to the Downtown High Point Project Master Plan, the City and FHP shall use their good faith efforts to assist ESC in gaining site access.

12. Public Engagement

(a) Periodic Meetings with Public. ESC shall host periodic meetings with the City and FHP in High Point on a mutually agreed-upon schedule to engage local stakeholders, public officials, and quasi- public officials to gather input and provide updates related to the progress of Downtown High Point Project.

(b) Periodic Meetings with City Council. ESC shall schedule meetings on an approximately bimonthly basis with the City Council in High Point to gather input, feedback, and provide updates related to the progress of Downtown High Point Project.

13. Transferability

(a) ESC may assign its rights and obligations hereunder to an entity affiliated with ESC with the written consent of the City; the City shall not unreasonably withhold such consent.

14. Amendments

(a) This Agreement may be modified only by written amendment executed by the Parties.

15. Authority to Bind

(a) By signing below, the signatory warrants to having authority to bind the Party to this Agreement.

16. Headings

(a) The headings of the sections and subsections of this Agreement are for the convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof or thereof.

17. Notices

(a) Any notices required hereunder shall be sent by hand delivery, by overnight courier service for next day delivery, by electronic mail, or by certified mail, return receipt requested as follows:

If to the City:
City Manager
211 South Hamilton Street
High Point, North Carolina 27260

With a copy to:
City Attorney
211 South Hamilton Street
High Point, North Carolina 27260

If to FHP:
Executive Director
164 South Main Street, Suite 606
High Point, North Carolina 27260

With a copy to:
Doyle Early
Wyatt Early
Harris & Wheeler, LLP
1912 Eastchester Drive
High Point, North Carolina 27265

If to ESC:
Mr. Tim Elliott
14545 Manor Road
Phoenix, Maryland 21131

With a copy to:
James R. Deveney, II
1122 Kenilworth Drive, Suite 418
Towson, Maryland 21204

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement as of the ___ of October, 2017.

City of High Point

This instrument preaudited in accordance with the Local Government Budget and Fiscal Control Act.

By: ______________________

______________________ 11/3/2017

Forward High Point Inc.

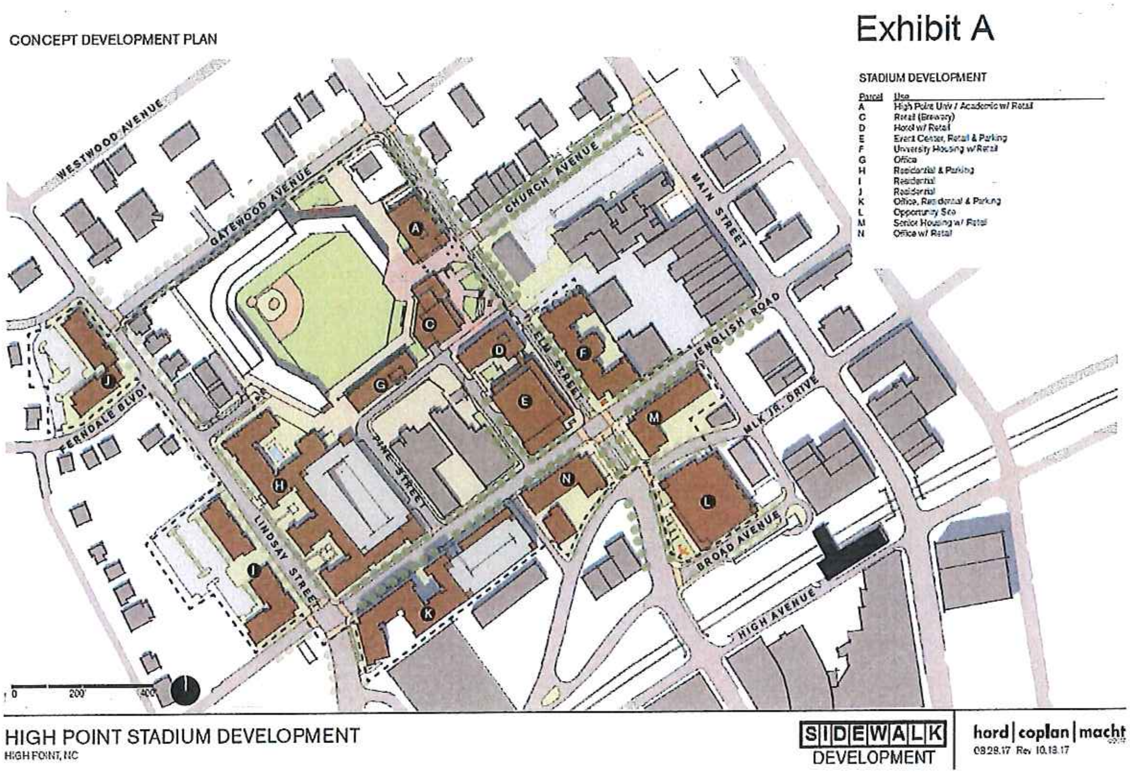
By: ______________________

Elliott Sidewalk Communities High Point LLC

By: ______________________

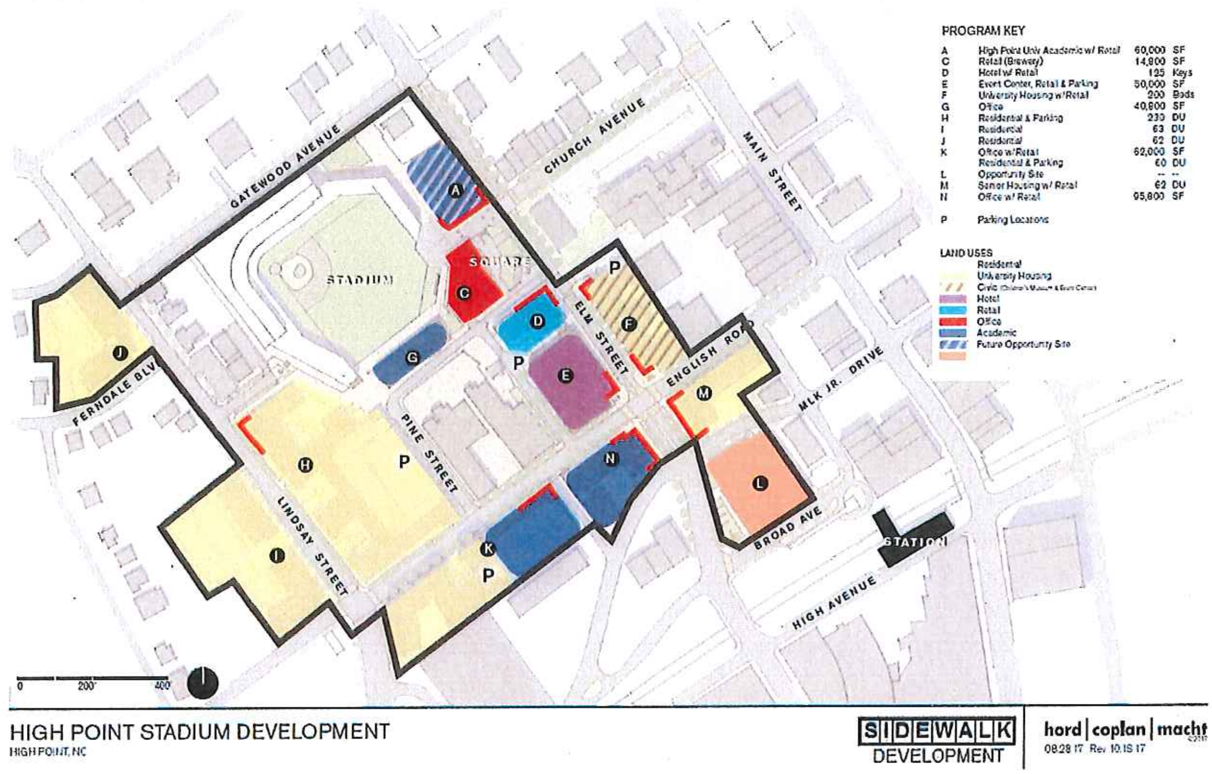
PPAB 3913942v3

Exhibit A
Concept Development Plan



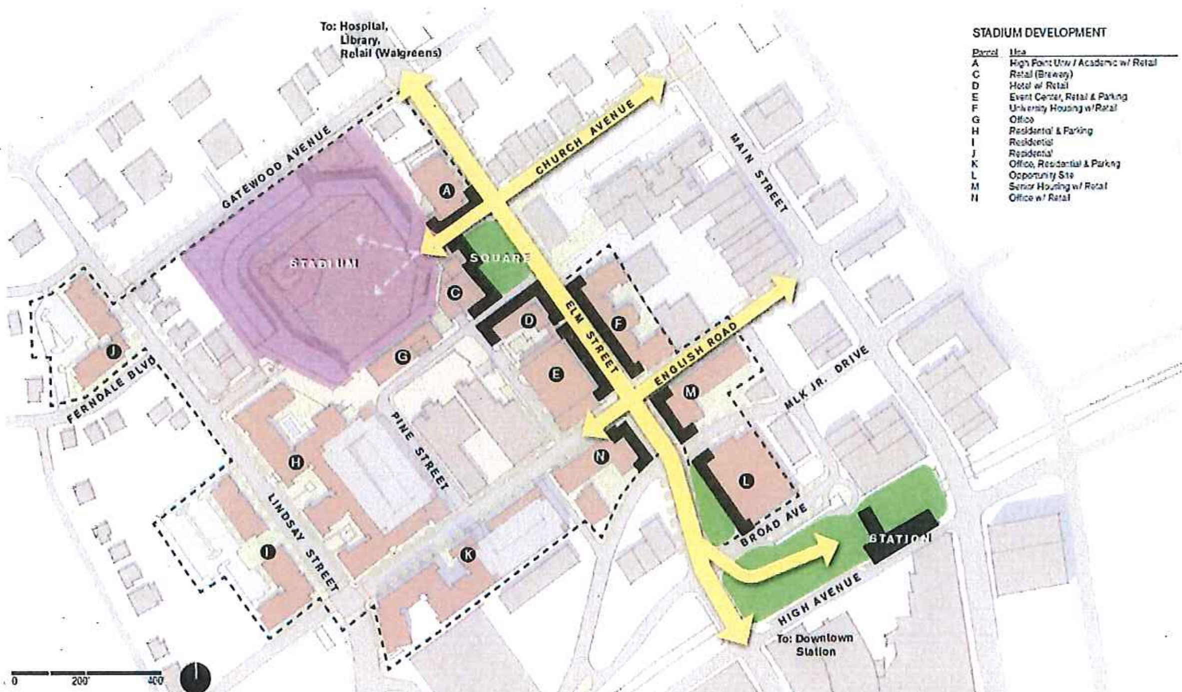
PPAB 3913942v3

GENERAL LAND USE PLAN



A-2

ELM STREET CONNECTION

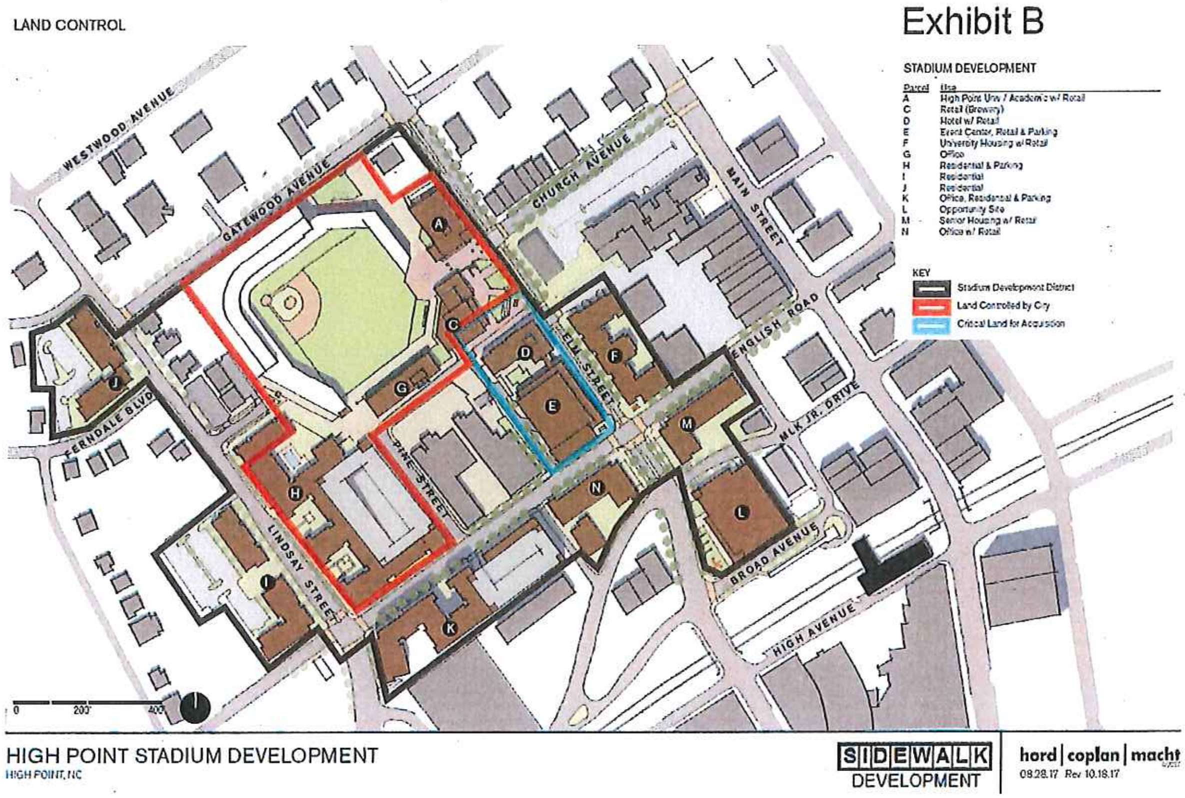


HIGH POINT STADIUM DEVELOPMENT
HIGH POINT, NC

SIDEWALK DEVELOPMENT

hord | coplan | macht
09.28.17 Rev 10.18.17

Exhibit B
Primary and Secondary Properties



PPAB 3913942v3

Exhibit C
Incentives Compensation Plan

City Fees to Sidewalk	
Office	$2.00 per SF
Retail	$2.00 per SF
Residential	$1,000 per Unit
Hotel	$1,000 per Key
Senior Housing	$1,500 per Unit

Parcels	**Factor**	**City Owned**	**Non- City**
Parcel A -Acad./Retail/Office	60,000		
Office Space	7,500	$ 15,000	
Retail Space	7,500	$ 15,000	
Academic Space	45,000	$ 90,000	
Parcel B - Children's Museum		$ -	
Parcel C - Brewery/Restaurant	14,800	$ 29,600	
Parcel D - Hotel	125	$ 125,000	
Parcel E - Event Center		$ -	
Parcel F -Grad Housing	100		$ 100,000
Parcel G - Office	40,800	$ 81,600	
Parcel H - Residential	250	$ 250,000	
Parcel I - Residential	63		$ 63,000
Residential	62		$ 62,000
Office/Residential			
Office	54,000		$ 108,000
Residential	60		$ 60,000
Parcel L - Opportunity	TBD		TBD
Parcel M – Senior Housing	62		$ 93,000
Parcel N - Office	98,500		$ 197,000
Retail Space aggregate			
City Owned Parcels			
Total	**Subtotal**	**$ 606,200**	**$ 683,000**

Grand Total	**$ 1,289,200**

CITY OF HIGH POINT
AGENDA ITEM

Title: Incentives Agreement - For Catalyst Project

From: Randy Hemann, Assistant City Manager

Public Hearing: N/A

Attachments: Incentives Agreement

Meeting Date: October 19, 2017

Advertising Date: N/A
Advertised By: N/A

PURPOSE:
The City owned land around the stadium will be purchased by Elliott Sidewalk Communities (ESC) from the City at Fair Market Value. In order to incent ESC to be successful in both selling and developing the land, the attached Incentives Agreement, provides incentives to ESC based on performance related to the completion of construction of the various elements of the plan.

BACKGROUND:
City Councils goal of a catalyst project calls for the construction of residential units, restaurants, etc. The attached Incentives Agreement encourages the Master Developer to be successful through a series of incentives which are based on per square foot of office and retail/restaurant space and numbers of residential units and hotel rooms constructed. Incentives are paid upon completion of construction. The total incentives paid would be no more than $1,289,200 on approximately $100 million in taxable development. Non-tax producing development such as a children's museum or event center is not incented or included in development projections. Incentives will be funded from a portion of the sale of the property.

BUDGET IMPACT:
N/A

RECOMMENDATION / ACTION REQUESTED:
Staff recommends approval of the Incentives Agreement with Elliott Sidewalk Communities.

Discussion Materials

City of High Point, North Carolina

October 19, 2017

Downtown Multi-Use Sports and Entertainment Facility

Overview

Downtown Multi-Use Sports and Entertainment Facility

Purpose

- The Facility will be located on an 11.5 acre tract of land, 5 of which will comprise the stadium and the remaining 6.5 acres (owned by the City) would be used for development.
  - The Facility is envisioned to be designed as a flexible, multi-purpose venue capable of hosting a wide range of event activities in order to maximize utilization and draw people to downtown to support existing businesses.
- The Facility is anticipated to have approximately 3,400 fixed seats and a total capacity of 5,000 persons for baseball games. In addition to baseball, the Facility will also be able to host soccer, football, and lacrosse games and concerts / events with an expected capacity of approximately 6,700 persons.
- The primary user of the Facility will be an Atlantic League team, currently in Bridgeport, Connecticut, which has committed to moving to High Point beginning with the 2019 season.
- Construction is currently estimated at $35 million and is anticipated to begin in late Calendar Year 2017. Baseball operations are anticipated to begin in April 2019.

Projected Catalyst Project Area Development

A	B	C	D	E	F	G	H
Calendar Year	Retail Market Value	Restaurant Appraised Value	Hotel Appraised Value	Residential Appraised Value	Office Appraised Value	Total Value Generated	Cumulative Value Generated
2018	$ 2,500,000	$ 3,750,000	$ 9,000,000	$ 6,800,000	$ 5,000,000	$ 27,050,000	$ 27,050,000
2019	1,362,500	2,687,500	270,000	204,000	150,000	4,674,000	31,724,000
2020	6,898,896	2,786,554	12,867,730	29,584,747	7,148,739	59,286,666	91,010,666
2021	322,842	276,722	664,132	1,097,662	368,962	2,730,320	93,740,986
2022	332,527	285,023	684,056	1,130,592	6,903,897	9,336,095	103,077,082
2023	342,503	293,574	704,578	1,164,510	587,148	3,092,312	106,169,394
2024	352,778	302,381	725,715	1,199,445	604,762	3,185,082	109,354,476
2025	363,361	311,453	747,486	1,235,429	622,905	3,280,634	112,635,110
2026	374,262	320,796	769,911	1,272,492	641,592	3,379,053	116,014,163
2027	385,490	330,420	793,008	1,310,666	660,840	3,480,425	119,494,588
2028	397,055	340,333	816,798	1,349,986	680,665	3,584,838	123,079,426
2029	408,966	350,543	841,302	1,390,486	701,085	3,692,383	126,771,809
2030	421,235	361,059	866,541	1,432,200	722,118	3,803,154	130,574,963
2031	433,873	371,891	892,538	1,475,167	743,781	3,917,249	134,492,212
2032						-	134,492,212

I	J	K	L
Fiscal Year	City Tax Revenues Generated[1]	County Tax Revenues Generated[1]	Total Revenues Generated[1]
2019	$ -	$ -	$ -
2020	173,397	195,624	369,022
2021	203,359	229,426	432,785
2022	583,401	658,185	1,241,586
2023	600,903	677,930	1,278,833
2024	660,750	745,448	1,406,198
2025	680,572	767,812	1,448,384
2026	700,990	790,846	1,491,836
2027	722,019	814,571	1,536,591
2028	743,680	839,009	1,582,688
2029	765,990	864,179	1,630,169
2030	788,970	890,104	1,679,074
2031	812,639	916,807	1,729,446
2032	837,018	944,312	1,781,330
2033	862,129	972,641	1,834,770

[1] Assumes a City Tax Rate of $0.6475 and a collection percentage of 99%. Assumes a County Tax Rate of $0.7305 and a collection percentage of 99%.
Note: Revenues are projected to be realized in the Calendar Year following development.

No scheduled development after FY2032. Cumulative tax revenues for the next 5 fiscal years 2033-2038	4,310,643	4,863,206	9,173,859
TOTAL	$13,446,460	$15,170,100	$28,616,560

Note: Preliminary and subject to change.

Source: CS&L / City Staff

Facility Amortization Schedules

$35 Million Financing at 5.00%

- The Level Debt Service component of the financing is sized to leverage the projected Stadium Lease Revenues of $1.9 million annually.
- The remainder of the funding need is structured on a Level Principal basis that is consistent with a more typical governmental debt structure.

A	B	C	D
Fiscal Year	Total Financing Principal	Interest	Total
Total	35,000,000	21,140,746	56,140,746
2018	-	875,000	875,000
2019	1,282,180	1,750,000	3,032,180
2020	1,317,985	1,685,891	3,003,876
2021	1,355,579	1,619,992	2,975,571
2022	1,395,054	1,552,213	2,947,267
2023	1,436,502	1,482,460	2,918,962
2024	1,480,023	1,410,635	2,890,658
2025	1,525,719	1,336,634	2,862,353
2026	1,573,701	1,260,348	2,834,049
2027	1,624,081	1,181,663	2,805,744
2028	1,676,981	1,100,459	2,777,440
2029	1,732,525	1,016,610	2,749,135
2030	1,790,847	929,984	2,720,831
2031	1,852,085	840,441	2,692,526
2032	1,916,385	747,837	2,664,222
2033	1,983,899	652,018	2,635,917
2034	2,054,790	552,823	2,607,613
2035	2,129,225	450,083	2,579,308
2036	2,207,381	343,622	2,551,004
2037	2,289,446	233,253	2,522,699
2038	2,375,614	118,781	2,494,395

Note: Subject to review and discussion with LGC Staff.

Note: Assumes a $35 million borrowing over 20 years at 5.00%.

Facility Lease Overview

Lease Overview

- CS&L has provided the following guidance on the potential lease between the City and Baseball Team / Facility Operator.
- It is assumed that operations begin in April 2019 and that the City begins receiving revenues from the lease agreement in FY 2020. These revenue streams are assumed to continue through the term of the loan that finances the stadium.
  - The Team / Operator pays the City an annual lease payment of $500,000 with the ability to earn additional incentive payments if negotiated thresholds are achieved.
  - The City receives Facility Fee surcharges of $1,100,000 annually.
  - The City receives BB&T Naming Rights.
  - In exchange for annual rent payments, the Team / Owner retains all revenues from sponsorships (non-naming), food/beverage, ticket sales, venue rental fees for other events and merchandise sales.
  - The City would receive approximately 10% of additional sales tax revenues generated by ticket sales, merchandise, food & beverage, and other ancillary spending (not included in the chart on the right).
  - Team / Operator are assumed to be responsible for all operating costs of the facility.

Potential Revenues

A	B	C	D	E
Fiscal Year	Annual Lease	Facility Fees	Naming Rights	Total
2019	$ -	$ -	$ 300,000	$ 300,000
2020	500,000	1,100,000	300,000	1,900,000
2021	500,000	1,100,000	300,000	1,900,000
2022	500,000	1,100,000	300,000	1,900,000
2023	500,000	1,100,000	300,000	1,900,000
2024	500,000	1,100,000	300,000	1,900,000
2025	500,000	1,100,000	300,000	1,900,000
2026	500,000	1,100,000	300,000	1,900,000
2027	500,000	1,100,000	300,000	1,900,000
2028	500,000	1,100,000	300,000	1,900,000
2029	500,000	1,100,000	300,000	1,900,000
2030	500,000	1,100,000	300,000	1,900,000
2031	500,000	1,100,000	300,000	1,900,000
2032	500,000	1,100,000	300,000	1,900,000
2033	500,000	1,100,000	300,000	1,900,000
2034	500,000	1,100,000	300,000	1,900,000
2035	500,000	1,100,000	300,000	1,900,000
2036	500,000	1,100,000	300,000	1,900,000
2037	500,000	1,100,000	300,000	1,900,000
2038	500,000	1,100,000	300,000	1,900,000
Total	**$ 9,500,000**	**$ 20,900,000**	**$ 6,000,000**	**$ 36,400,000**

Source: CS&L / City Staff

Note: Preliminary and subject to change.

Source: CS&L / City Staff

High Point Convention & Visitors Bureau Revenues

Overview

CONVENTION & VISITORS BUREAU

- On August 16, the High Point Convention & Visitors Bureau's ("CVB") board of directors voted to invest $5 million toward the debt service of the City's planned Facility.
  - The CVB in teaming up with the City to promote and encourage economic impact in High Point through travel and tourism.
- These revenues are anticipated to begin in FY 2019 and come in at $250,000 per year.
- The CVB revenue commitment will be funded by the Guilford County Occupancy Tax.

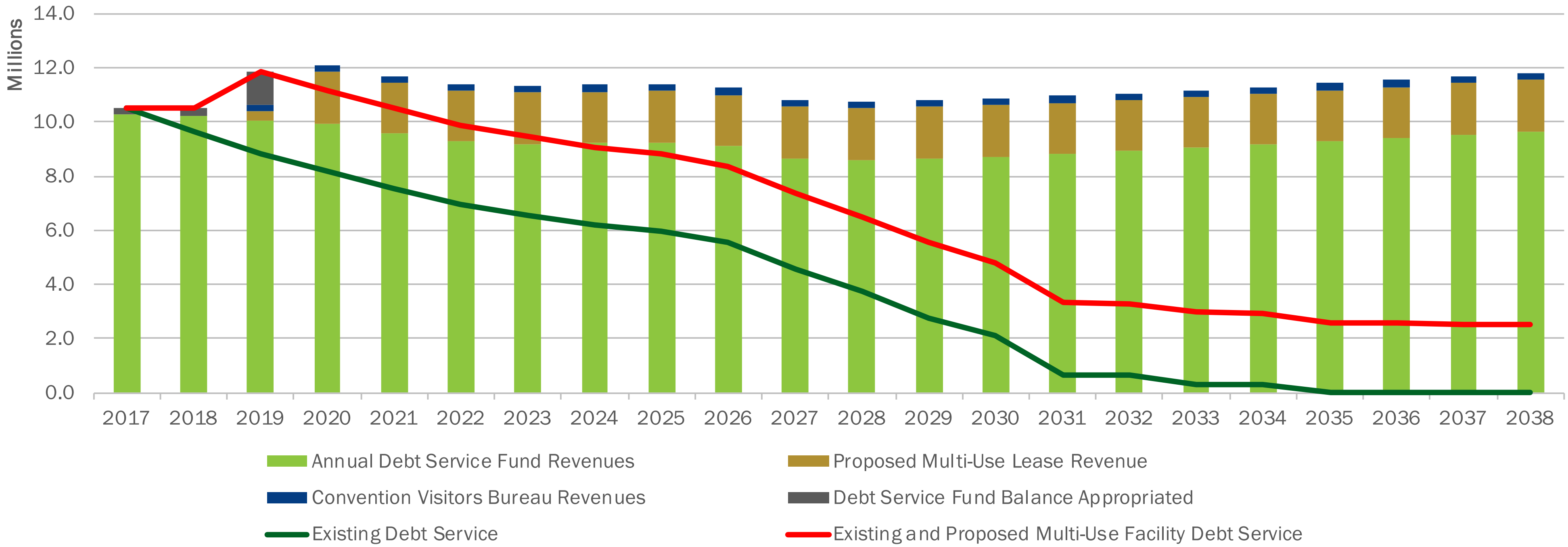
Committed Revenues

Fiscal Year	Revenues
2018	$ -
2019	250,000
2020	250,000
2021	250,000
2022	250,000
2023	250,000
2024	250,000
2025	250,000
2026	250,000
2027	250,000
2028	250,000
2029	250,000
2030	250,000
2031	250,000
2032	250,000
2033	250,000
2034	250,000
2035	250,000
2036	250,000
2037	250,000
2038	250,000
Total	**$ 5,000,000**

Source: High Point Convention & Visitors Bureau

Debt Affordability Analysis

Existing Budget Resources, Lease Revenue, and CVB Revenue



- With the additional revenues identified associated with the Downtown Multi-Use Sports and Entertainment Facility, the required appropriation from the Debt Service Fund would total $1,741,610 between FY 2017 – 2019.
- The City would also have capacity to fund approximately $33,540,000 of additional debt from FY 2019 – 2024 without the need for additional revenues / resources.

Case 1

City and County Incremental Tax Revenue Participation

Facility Revenues vs. Debt Service

$35 Million Financing at 5.00% - With County Participation

A	B	C	D	E	F	G	H	I	J	K	L
Fiscal Year	Debt Service[1]	Lease Revenues[2]	CVB Revenues	Surplus (Deficit) (C + D - B)	Cumulative Surplus (Deficit)	City Tax Increment Revenues[3]	Surplus (Deficit) (E + G)	Cumulative Surplus (Deficit) (Column H)	County Tax Increment Revenues[3]	Surplus (Deficit) (H + J)	Cumulative Surplus (Deficit) (Column K)
Total	56,140,746	36,400,000	5,000,000	(14,740,746)		13,446,460	(1,294,285)		13,446,460	12,152,175	
2018	875,000	-	-	(875,000)	(875,000)	-	(875,000)	(875,000)	-	(875,000)	(875,000)
2019	3,032,180	300,000	250,000	(2,482,180)	(3,357,180)	-	(2,482,180)	(3,357,180)	-	(2,482,180)	(3,357,180)
2020	3,003,876	1,900,000	250,000	(853,876)	(4,211,056)	173,397	(680,478)	(4,037,658)	173,397	(507,081)	(3,864,261)
2021	2,975,571	1,900,000	250,000	(825,571)	(5,036,627)	203,359	(622,212)	(4,659,871)	203,359	(418,853)	(4,283,115)
2022	2,947,267	1,900,000	250,000	(797,267)	(5,833,893)	583,401	(213,865)	(4,873,736)	583,401	369,536	(3,913,579)
2023	2,918,962	1,900,000	250,000	(768,962)	(6,602,855)	600,903	(168,059)	(5,041,795)	600,903	432,844	(3,480,735)
2024	2,890,658	1,900,000	250,000	(740,658)	(7,343,513)	660,750	(79,908)	(5,121,703)	660,750	580,842	(2,899,892)
2025	2,862,353	1,900,000	250,000	(712,353)	(8,055,866)	680,572	(31,781)	(5,153,483)	680,572	648,792	(2,251,101)
2026	2,834,049	1,900,000	250,000	(684,049)	(8,739,914)	700,990	16,941	(5,136,542)	700,990	717,931	(1,533,170)
2027	2,805,744	1,900,000	250,000	(655,744)	(9,395,658)	722,019	66,275	(5,070,267)	722,019	788,294	(744,876)
2028	2,777,440	1,900,000	250,000	(627,440)	(10,023,098)	743,680	116,240	(4,954,027)	743,680	859,920	115,044
2029	2,749,135	1,900,000	250,000	(599,135)	(10,622,233)	765,990	166,855	(4,787,172)	765,990	932,845	1,047,890
2030	2,720,831	1,900,000	250,000	(570,831)	(11,193,063)	788,970	218,139	(4,569,032)	788,970	1,007,109	2,054,999
2031	2,692,526	1,900,000	250,000	(542,526)	(11,735,589)	812,639	270,113	(4,298,919)	812,639	1,082,752	3,137,751
2032	2,664,222	1,900,000	250,000	(514,222)	(12,249,811)	837,018	322,797	(3,976,123)	837,018	1,159,815	4,297,566
2033	2,635,917	1,900,000	250,000	(485,917)	(12,735,728)	862,129	376,212	(3,599,911)	862,129	1,238,340	5,535,906
2034	2,607,613	1,900,000	250,000	(457,613)	(13,193,340)	862,129	404,516	(3,195,395)	862,129	1,266,645	6,802,551
2035	2,579,308	1,900,000	250,000	(429,308)	(13,622,648)	862,129	432,821	(2,762,574)	862,129	1,294,949	8,097,500
2036	2,551,004	1,900,000	250,000	(401,004)	(14,023,652)	862,129	461,125	(2,301,449)	862,129	1,323,254	9,420,754
2037	2,522,699	1,900,000	250,000	(372,699)	(14,396,351)	862,129	489,430	(1,812,019)	862,129	1,351,558	10,772,313
2038	2,494,395	1,900,000	250,000	(344,395)	(14,740,746)	862,129	517,734	(1,294,285)	862,129	1,379,863	12,152,175

[1] Assumes a $35 million borrowing over 20 years at 5.00%. Subject to review and discussion with LGC Staff.

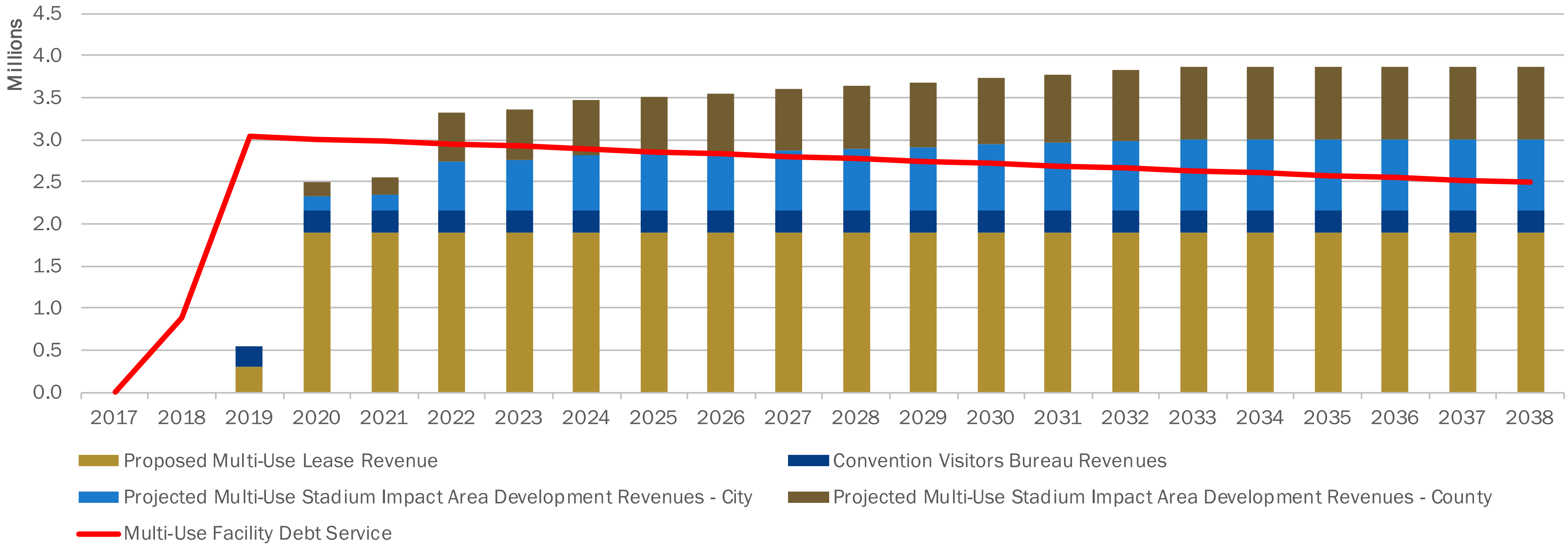
[2] Includes Annual Lease of $500,000, Annual Facility Fees of $1,100,000, and Annual Naming Rights of $300,000. Source: CS&L/City Staff.

[3] Based upon projections provided by CS&L/City Staff, current City tax rates, and matching County participation.

Source: CS&L/City Staff

Facility Revenues vs. Debt Service

$35 Million Financing at 5.00% - With County Participation



- Based upon the projected Downtown Multi-Use Sports and Entertainment Facility's revenues, the City is projected to become cash flow positive on an annual basis by FY 2022 and on a cumulative basis by FY 2028.

Source: CS&L/City Staff

Case 2

City Incremental Tax Revenue Participation Only

Facility Revenues vs. Debt Service

$35 Million Financing at 5.00%

A	B	C	D	E	F	G	H	I	J	K	L
Fiscal Year	Debt Service[1]	Lease Revenues[2]	CVB Revenues	Surplus (Deficit) (C + D - B)	Cumulative Surplus (Deficit)	City Tax Increment Revenues[3]	Surplus (Deficit) (E + G)	Cumulative Surplus (Deficit) (Column H)	County Tax Increment Revenues[3]	Surplus (Deficit) (H + J)	Cumulative Surplus (Deficit) (Column K)
Total	56,140,746	36,400,000	5,000,000	(14,740,746)		13,446,460	(1,294,285)		-	(1,294,285)	
2018	875,000	-	-	(875,000)	(875,000)	-	(875,000)	(875,000)	-	(875,000)	(875,000)
2019	3,032,180	300,000	250,000	(2,482,180)	(3,357,180)	-	(2,482,180)	(3,357,180)	-	(2,482,180)	(3,357,180)
2020	3,003,876	1,900,000	250,000	(853,876)	(4,211,056)	173,397	(680,478)	(4,037,658)	-	(680,478)	(4,037,658)
2021	2,975,571	1,900,000	250,000	(825,571)	(5,036,627)	203,359	(622,212)	(4,659,871)	-	(622,212)	(4,659,871)
2022	2,947,267	1,900,000	250,000	(797,267)	(5,833,893)	583,401	(213,865)	(4,873,736)	-	(213,865)	(4,873,736)
2023	2,918,962	1,900,000	250,000	(768,962)	(6,602,855)	600,903	(168,059)	(5,041,795)	-	(168,059)	(5,041,795)
2024	2,890,658	1,900,000	250,000	(740,658)	(7,343,513)	660,750	(79,908)	(5,121,703)	-	(79,908)	(5,121,703)
2025	2,862,353	1,900,000	250,000	(712,353)	(8,055,866)	680,572	(31,781)	(5,153,483)	-	(31,781)	(5,153,483)
2026	2,834,049	1,900,000	250,000	(684,049)	(8,739,914)	700,990	16,941	(5,136,542)	-	16,941	(5,136,542)
2027	2,805,744	1,900,000	250,000	(655,744)	(9,395,658)	722,019	66,275	(5,070,267)	-	66,275	(5,070,267)
2028	2,777,440	1,900,000	250,000	(627,440)	(10,023,098)	743,680	116,240	(4,954,027)	-	116,240	(4,954,027)
2029	2,749,135	1,900,000	250,000	(599,135)	(10,622,233)	765,990	166,855	(4,787,172)	-	166,855	(4,787,172)
2030	2,720,831	1,900,000	250,000	(570,831)	(11,193,063)	788,970	218,139	(4,569,032)	-	218,139	(4,569,032)
2031	2,692,526	1,900,000	250,000	(542,526)	(11,735,589)	812,639	270,113	(4,298,919)	-	270,113	(4,298,919)
2032	2,664,222	1,900,000	250,000	(514,222)	(12,249,811)	837,018	322,797	(3,976,123)	-	322,797	(3,976,123)
2033	2,635,917	1,900,000	250,000	(485,917)	(12,735,728)	862,129	376,212	(3,599,911)	-	376,212	(3,599,911)
2034	2,607,613	1,900,000	250,000	(457,613)	(13,193,340)	862,129	404,516	(3,195,395)	-	404,516	(3,195,395)
2035	2,579,308	1,900,000	250,000	(429,308)	(13,622,648)	862,129	432,821	(2,762,574)	-	432,821	(2,762,574)
2036	2,551,004	1,900,000	250,000	(401,004)	(14,023,652)	862,129	461,125	(2,301,449)	-	461,125	(2,301,449)
2037	2,522,699	1,900,000	250,000	(372,699)	(14,396,351)	862,129	489,430	(1,812,019)	-	489,430	(1,812,019)
2038	2,494,395	1,900,000	250,000	(344,395)	(14,740,746)	862,129	517,734	(1,294,285)	-	517,734	(1,294,285)

[1] Assumes a $35 million borrowing over 20 years at 5.00%. Subject to review and discussion with LGC Staff.

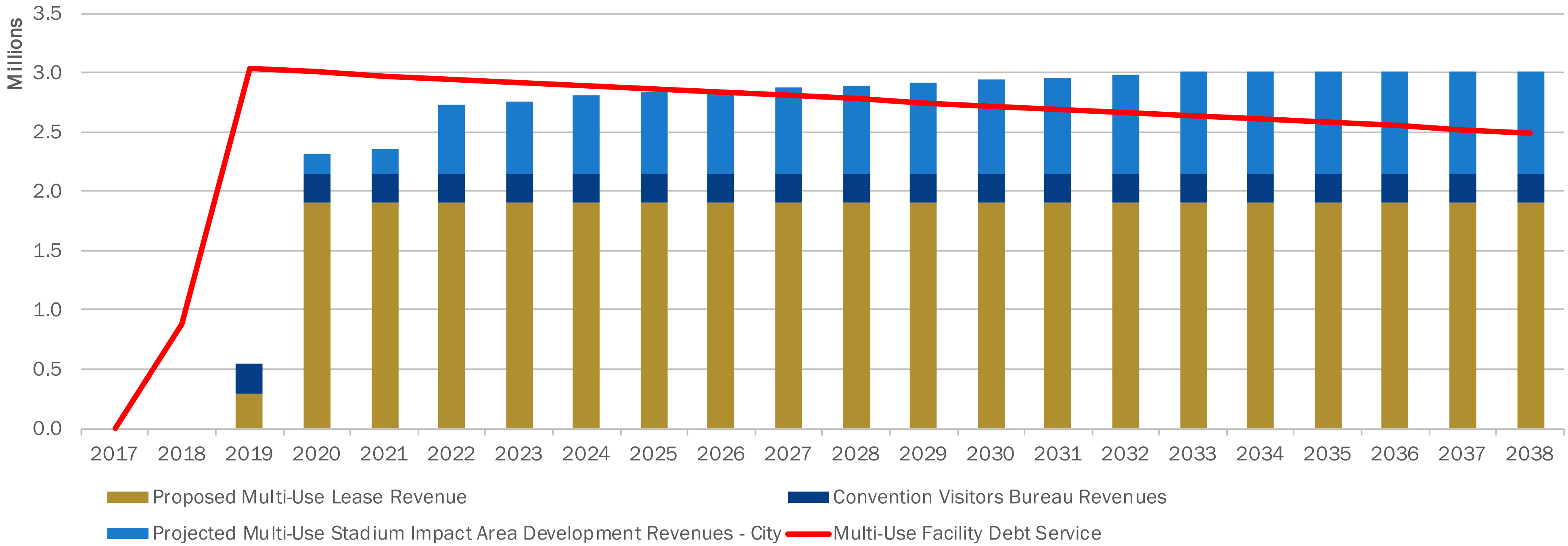
[2] Includes Annual Lease of $500,000, Annual Facility Fees of $1,100,000, and Annual Naming Rights of $300,000. Source: CS&L/City Staff.

[3] Based upon projections provided by CS&L/City Staff and current City tax rate.

Source: CS&L/City Staff

Facility Revenues vs. Debt Service

$35 Million Financing at 5.00%



- Based upon the projected Downtown Multi-Use Sports and Entertainment Facility's revenues, the City is projected to become cash flow positive on an annual basis by FY 2026 and on a cumulative basis by FY 2039 or FY 2040.

Source: CS&L/City Staff

Debt Affordability Analysis

Existing Budget Resources, Lease Revenue, CVB Revenue, and City Development Revenues

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Debt Service Requirements			Revenue Available for DS							Debt Service Cash Flow Surplus (				
FY	Existing Debt Service	Proposed CIP Debt Service - Multi-Purpose Stadium	Total	General DS Fund Property Tax (3.4¢)	General Fund Transfer to Debt Service Fund	Other Revenue Sources	Proposed Multi-Use Lease Revenue	Convention Visitors Bureau Revenues	Projected Multi-Use Stadium Impact Area Development Revenues	Total Revenues Available	Surplus/ (Deficit)	Debt Service Fund Balance Appropriated	Revenue from Tax Increase	Adjusted Surplus/ (Deficit)	Incremental Tax Equivalent
2017	10,532,405	-	10,532,405	3,121,202	4,743,550	2,414,766	-	-	-	10,279,518	(252,887)	(252,887)	-	-	-
2018	9,611,461	875,000	10,486,461	3,152,412	4,743,550	2,318,663	-	-	-	10,214,625	(271,836)	(271,836)	-	-	-
2019	8,799,670	3,032,180	11,831,850	3,183,936	4,743,550	2,137,476	300,000	250,000	-	10,614,963	(1,216,887)	(1,216,887)	-	-	-
2020	8,151,928	3,003,876	11,155,803	3,215,775	4,743,550	1,981,893	1,900,000	250,000	173,397	12,264,615	1,108,812	-	-	1,108,812	-
2021	7,528,183	2,975,571	10,503,754	3,247,933	4,743,550	1,559,933	1,900,000	250,000	203,359	11,904,775	1,401,021	-	-	1,401,021	-
2022	6,927,998	2,947,267	9,875,264	3,280,413	4,743,550	1,240,020	1,900,000	250,000	583,401	11,997,384	2,122,120	-	-	2,122,120	-
2023	6,559,108	2,918,962	9,478,070	3,313,217	4,743,550	1,134,579	1,900,000	250,000	600,903	11,942,248	2,464,178	-	-	2,464,178	-
2024	6,171,113	2,890,658	9,061,771	3,346,349	4,743,550	1,135,745	1,900,000	250,000	660,750	12,036,394	2,974,623	-	-	2,974,623	-
2025	5,974,976	2,862,353	8,837,329	3,379,812	4,743,550	1,141,682	1,900,000	250,000	680,572	12,095,617	3,258,288	-	-	3,258,288	-
2026	5,526,277	2,834,049	8,360,325	3,413,610	4,743,550	970,148	1,900,000	250,000	700,990	11,978,298	3,617,972	-	-	3,617,972	-
2027	4,552,790	2,805,744	7,358,534	3,447,747	4,743,550	503,818	1,900,000	250,000	722,019	11,567,133	4,208,599	-	-	4,208,599	-
2028	3,735,857	2,777,440	6,513,296	3,482,224	4,743,550	426,285	1,900,000	250,000	743,680	11,545,739	5,032,443	-	-	5,032,443	-
2029	2,777,952	2,749,135	5,527,087	3,517,046	4,743,550	456,369	1,900,000	250,000	765,990	11,632,955	6,105,868	-	-	6,105,868	-
2030	2,090,870	2,720,831	4,811,701	3,552,217	4,743,550	494,317	1,900,000	250,000	788,970	11,729,054	6,917,353	-	-	6,917,353	-
2031	647,438	2,692,526	3,339,964	3,587,739	4,743,550	538,542	1,900,000	250,000	812,639	11,832,470	8,492,506	-	-	8,492,506	-
2032	629,000	2,664,222	3,293,222	3,623,616	4,743,550	623,467	1,900,000	250,000	837,018	11,977,652	8,684,430	-	-	8,684,430	-
2033	324,825	2,635,917	2,960,742	3,659,852	4,743,550	710,311	1,900,000	250,000	862,129	12,125,843	9,165,101	-	-	9,165,101	-
2034	314,913	2,607,613	2,922,525	3,696,451	4,743,550	801,962	1,900,000	250,000	862,129	12,254,092	9,331,567	-	-	9,331,567	-
2035	-	2,579,308	2,579,308	3,733,416	4,743,550	895,278	1,900,000	250,000	862,129	12,384,372	9,805,064	-	-	9,805,064	-
2036	-	2,551,004	2,551,004	3,770,750	4,743,550	993,329	1,900,000	250,000	862,129	12,519,757	9,968,754	-	-	9,968,754	-
2037	-	2,522,699	2,522,699	3,808,457	4,743,550	1,093,016	1,900,000	250,000	862,129	12,657,152	10,134,453	-	-	10,134,453	-
2038	-	2,494,395	2,494,395	3,846,542	4,743,550	1,194,361	1,900,000	250,000	862,129	12,796,581	10,302,187	-	-	10,302,187	-
														Total Tax Effect	0.00¢
Total	90,856,762	56,140,746	146,997,508								Total	(1,741,610)			

[1] Includes estimated BABs subsidies, Charges for Services, Investment Income, and Transfers for Capital Leases.

- With the additional revenues identified associated with the Downtown Multi-Use Sports and Entertainment Facility, the required appropriation from the Debt Service Fund would total $1,741,610 between FY 2017 – 2019.
- The City would also have capacity to fund approximately $38,300,000 of additional debt from FY 2019 – 2024 without the need for additional revenues / resources.

Downtown Multi-Use Sports and Entertainment Facility – Downtown Catalyst Project

Municipal Advisor Disclosure

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

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The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

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INITIAL DEVELOPMENT AGREEMENT

THIS INITIAL DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of the _____ day of October, 2017 (the "Effective Date"), by and between the **CITY OF HIGH POINT,** a municipal corporation organized and existing under the laws of the State of North Carolina, with a mailing address of 211 South Hamilton, High Point, North Carolina 27261 (the "City"); **FORWARD HIGH POINT INC.,** a non-profit organization, with a mailing address of 164 South Main Street, Suite 606, High Point, North Carolina 27260 ("FHP"); and **ELLIOTT SIDEWALK COMMUNITIES HIGH POINT LLC,** a North Carolina limited liability company, with a mailing address of 14545 Manor Road, Phoenix, Maryland 21131 ("ESC") (each individually, a "Party", and collectively, the "Parties").

RECITALS

WHEREAS, the City and FHP have worked together in order to orchestrate and support the development of several mixed use real estate developments on various sites in underutilized areas in Downtown High Point, to be known collectively as the "Downtown High Point Project"; and

WHEREAS, the City and FHP have identified multiple available real estate development opportunities, properties and buildings which could be included in the development of the Downtown High Point Project as generally outlined on the Concept Development Plan, General Land Use Plan, and Elm Street Connection Map attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the City and FHP have identified potential economic development initiatives including a business recruitment strategy, a university-affiliated active adult community, residential, office and retail developments and new infrastructure which could be incorporated into the Downtown High Point Project; and

WHEREAS, the City has endorsed the Downtown High Point Project development strategy, is the owner of significant sites and buildings which are in the area designated for the development and has put in place redevelopment and financing plans to support the Downtown High Point Project development; and

WHEREAS, FHP has a contractual interest in land in the area of the Downtown High Point Project and is currently engaged in environmental assessment and remediation activities intended to ready this land for redevelopment and other work to assemble real properties and to assist in the development of the Downtown High Point Project; and

WHEREAS, FHP issued a Request for Qualifications and Interest for the purpose of identifying and selecting a development team to design, develop and execute real estate development strategies focused on the Downtown High Point Project; and

WHEREAS, the City and FHP have determined that working with a master developer is the best course of action to achieve the goals and desired results stated in the Downtown High Point Project Park vision; and

WHEREAS, the City and FHP have agreed that it is in their mutual interests to negotiate a Master Development Agreement with ESC that, when executed, would designate ESC as the Master Developer for the Downtown High Point Project; and

WHEREAS, the City, FHP, and ESC have entered into an Incentives Agreement contemporaneously with this Agreement for the purpose of creating a binding agreement concerning the development of the parcels and sale of land upon completion of construction of the Downtown High Point Project (the "Incentives Agreement"); and

WHEREAS, this Agreement sets forth the rights and liabilities of the Parties with respect to the initial development stage of the Downtown High Point Project so as to legally bind both the Parties. This Agreement shall be carried out in conjunction with future agreements between the Parties necessary to complete the Downtown High Point Project, including (without limitation), a Master Development Agreement, Phase Redevelopment Agreements (as necessary) and Land Disposition Agreements (collectively, the "Development Agreements").

NOW, THEREFORE, in consideration of the foregoing Recitals, the Parties hereby agree as follows:

TERMS AND CONDITIONS

1. Binding Agreement

(a) Binding Agreement. This Agreement constitutes a binding contract between the City, FHP, and ESC. The benefits and obligations set forth in this Agreement shall pass to any Party's successor or assigns.

(b) Good Faith. The Parties shall proceed in good faith to complete draft Development Agreements for consideration by all Parties on or before December 1, 2017.

2. Term

(a) Effective Date. This Agreement shall take effect as of the Effective Date and continue to the end of the three (3) year period following the Effective Date (the "Expiration Date").

(b) Extension. Prior to the Expiration Date the parties may elect to extend the Agreement pursuant to the terms herein or upon such other terms and conditions as may be mutually agreed upon by the Parties and set forth in writing.

3. Termination of Agreement

(a) As of Effective Date. This Agreement shall automatically terminate upon the Expiration Date, as may be amended, and be null and void and of no further force and effect without the need for notice of termination.

(b) Development Must Be Economically Viable. ESC or the City may terminate this Agreement by written notice if either concludes, in its sole discretion, the development is not economically viable.

(c) Advancement of Project. In the event that the City reasonably determines that ESC is failing to move the project forward in accordance with the provisions herein, and ESC fails to cure such deficiencies, upon written notice from City setting forth the remedial actions required of ESC to rectify such failure within sixty (60) days or such longer reasonable time as may be required to cure such deficiencies, then the City may terminate this Agreement upon delivery of an additional written notice to ESC, whereupon this Agreement shall be null and void and of no further force and effect.

(d) Suspension by the City for Convenience. The City may, without cause, order FHP or ESC to suspend, delay, or interrupt the work to be completed under Section 5(e) in whole or in part for such period of time as the City may determine ("Suspension").

(i) Upon receipt of written notice from the City of such Suspension for the City's convenience, FHP and ESC shall:

(1) cease operations and cause all operations to be ceased within three (3) business days of notice of Suspension as directed by the City

(the third business day after the City provides notice of Suspension shall be the date of "Termination");

(2) take actions necessary, or that the City may direct, for the protection and preservation of ESC's work product and any work product commissioned from third party contractors concerning the Downtown High Point Project to the extent that it is completed;

(3) except for work in progress that is reasonably directed to be completed in the notice of Suspension, terminate all existing Downtown High Point Project agreements by the date of Termination, including the Incentives Agreement, and enter into no further Downtown High Point Project agreements.

(ii) ESC shall be entitled to receive incentive compensation pursuant to the Incentive Agreement for improvements made to the Downtown High Point Project that are subject to completion but not complete by the date of Termination.

(iii) In the case of such Suspension for the City's convenience, FHP and ESC shall be entitled to receive payment for work required under Section 5(e) that has already been performed and work product completed as of the date of Termination, and costs incurred by reason of such Suspension, along with reasonable overhead and profit on the Downtown High Point Project work detailed in Section 5(e) not executed.

4. Properties

(a) Properties. The Downtown High Point Project, as currently envisioned, encompasses multiple parcels of land owned by various entities, portions of which are non-contiguous (the "Properties"). The Parties acknowledge that certain rights and obligations shall exist for certain property categories, which shall be defined as follows:

(i) Primary Properties - Parcels of land owned and controlled by the City and FHP that are located within the area known as the Baseball Stadium site, shown on Exhibit B attached hereto and incorporated herein, as outlined in red and designated "Land Controlled by City."

(ii) Secondary Properties - Parcels of land owned and controlled by the City and FHP that are located outside the Baseball Stadium site area, but are encompassed within the area designated for the Downtown High Point Project development, shown on Exhibit B attached hereto and incorporated herein, as outlined in brown and designated "Stadium Development District," excluding the Primary Properties outlined in red.

(iii) Ancillary Properties - Parcels of land owned and controlled by the City, FHP and other private entities that are encompassed within the area designated for the Downtown High Point Project development or complementary to the Primary and Secondary Properties.

(b) Segmentation. The Downtown High Point Project development will be segmented and completed in several phases over time, to be further defined in the Development Agreements.

(c) Exclusion for Development and Construction. The proposed Stadium, Children's Museum and Event Center (collectively, the "Excluded Properties") are included under this Agreement for all master planning purposes, such as location, sizing, exterior appearance, etc., but are to be developed and constructed by third Parties and are excluded from the provisions of this Agreement as to development and construction.

5. ESC Rights and Obligations

(a) Exclusive Properties. ESC shall have the exclusive right to develop the Primary and Secondary Properties (collectively, the "Exclusive Properties") subject to and pursuant to the provisions of the Development Agreements as may be approved in the future.

(b) Parcel Sales. The Development Agreements shall provide that the Exclusive Properties (or such portion thereof as may comprise a segment of a development phase) shall be conveyed by the City or FHP to ESC by way of marketable, fee simple title at fair market value. The Development Agreements shall establish predetermined parcel sale prices, or a mechanism for calculating such parcel sale prices.

(c) Master Plan. ESC shall work with the City and FHP to establish a conceptual master plan for Downtown High Point Project that is compatible with the goals of the Parties to this Agreement for the Downtown High Point Project (the "Master Plan"). The Master Plan will identify proposed transit alignments, building envelopes, uses, setbacks, building heights, densities, architectural guidelines, site access, parking, infrastructure requirements and other elements deemed necessary by the Parties. It is understood by the Parties that the Master Plan may initially focus on the Primary Properties for the initial phases, while reasonably taking into account the opportunities for development of the Secondary and Ancillary Properties and future phases. Regarding the Secondary and Ancillary Properties, ESC shall:

(i) Advise private property owners in the area of the Downtown High Point Project regarding how their properties can support the development of the Downtown High Point Project.

(ii) Advise FHP regarding how property it owns or controls in the area of the Downtown High Point Project can support the development of the Downtown High Point Project.

(d) Preliminary Due Diligence. During the term of the Agreement, ESC shall complete all preliminary due diligence tasks required to analyze the market, conceptualize the development program, identify potential impediments, and determine the financial feasibility of Downtown High Point Project (the "Preliminary Tasks"). The conclusions drawn from the Preliminary Tasks shall influence the Master Plan and the structure of the Development Agreements.

(e) Initial Work to Be Completed. ESC shall complete the initial work on the Downtown High Point Project according to the timeline and corresponding budget as set forth in Exhibit C hereto.

(f) Reports and Recommendations. Following the completion of the Preliminary Tasks (Exhibit C) and the creation of a draft Master Plan, ESC shall present reports and recommendations to the City, FHP, The Baseball Team ownership entity, and key institutions of the Downtown area and seek approvals of the Master Plan from the City. Following the approval of the Master Plan, ESC shall begin the creation and negotiation of the Development Agreements with the City.

6. City Rights and Obligations

(a) Exclusive Master Development Agreement. For so long as this Agreement remains in full force and effect, the City shall not enter into negotiations or any other discussions with Parties other than ESC or its affiliated entities concerning the creation of a Master Development Agreement for the Downtown High Point Project. The City may, however, with the express written approval of ESC, enter into discussions with prospective Downtown High Point Project occupants and potential local development partners.

(b) Exclusive Disposition of Property. For so long as this Agreement remains in full force and effect, and excepting any property that is included in the Excluded Properties, the City shall not to enter into negotiations or any other discussions concerning the disposition of any Primary Property or Secondary Property owned by the City of High Point, as herein defined, with any party other than ESC or its affiliated entities without the written consent of ESC.

(c) Compliance of Master Plan. The City agrees to work in good faith with ESC to either:

(i) Ensure that the Master Plan is compliant with the local planning and zoning regulations; or

(ii) Establish a planned unit development (PUD), overlay district, development agreement or similar legislative mechanism to allow for development of the Master Plan.

(d) Coordinating Approvals. The City shall make good faith efforts to assist ESC in seeking approvals described under Section 5(f) herein by coordinating with these entities when practicable to streamline the approvals process.

(e) Facilitating Necessary Subsidies. The City shall work with ESC to consider all potential public funding sources and other available subsidy instruments including (without limitation) public grants, tax credits, PILOTs, Municipal Service District taxing authority, other public financing mechanisms, and public ownership, should ESC conclude pursuant to due diligence required under Section 5(d) herein that the feasibility of some or all phases of development may require public subsidies. To the extent that ESC elects to pursue subsidies from public or quasi-public agencies beyond the municipal level, the City shall reasonably sponsor or facilitate the pursuit of such subsidies in conjunction with ESC, or on behalf of Downtown High Point Project.

(f) Payment of Fees. The City shall pay fees owed to ESC according to Section 8 herein.

7. **FHP Rights and Obligations**

(a) Exclusive Disposition of Property. For so long as this Agreement remains in full force and effect, and excepting any property that is included in the Excluded Properties, FHP shall not enter into negotiations or any other discussions concerning the disposition of any Primary Property or Secondary Property owned or controlled by FHP, as herein defined, with any party other than ESC or its affiliated entities without the written consent of ESC.

(i) FHP shall support ESC in the creation and implementation of business and job recruitment strategies to support real estate investments in the Downtown High Point Project.

(ii) FHP shall support and assist the City, ESC, and the Baseball Team ownership entity as requested.

8. **Initial Work Fees**

(a) ESC has prepared a budget and tasks schedule ("Budget") for the initial work by ESC on the Downtown High Point Project as set forth on Exhibit C hereto. The City shall pay fees to ESC, except compensation as described in the Incentives Agreement, monthly in the amount set forth in the Budget for each month commencing on September 1, 2017 (month 1 on Exhibit C refers to September 2017), and such fees shall include the reimbursement of costs set forth in the Budget incurred during the period from August 1, 2017, to the Effective Date. The total fees payable to ESC shall be allocated to land parcels, as an addition to the sales price, so that the City and/or FHP shall recoup the fees payable to ESC upon the sale of parcels of land in the Downtown High Point Project.

9. **Publicity and Communication**

(a) FHP shall work with ESC in the creation of the Master Plan and to facilitate communications among all the Parties to this agreement. FHP and ESC shall meet at least monthly during the term of this Agreement, and along with ESC, shall provide progress reports to the City on a regular basis.

10. **Development Agreements**

(a) At the conclusion of this Agreement, ESC and the City shall negotiate in good faith the Development Agreements. The Development Agreements will consist principally of a Master Development Agreement with supplementary agreements including (without limitation) Phase Development Agreements and Land Disposition Agreements as described below:

(i) Master Development Agreement - Establishes the rights and obligations of the Parties with respect to the overall Downtown High Point Project Development.

(ii) Phase Development Agreements - Establishes the rights and obligations with respect to individual components of the Master Plan. The Phase Developments as planned are attached as Exhibit D hereto and incorporated herein.

(iii) Land Disposition Agreements - Establishes the terms and schedule pursuant to which certain land will be conveyed by the City to ESC.

11. Access and Inspections

(a) The City and FHP shall ensure that ESC and its designees and consultants are able to obtain reasonable access to their respective properties to perform such testing and inspections as deemed necessary by ESC. ESC shall provide its employees, designees and consultants with the appropriate safety equipment for accessing the property, and that ESC shall cause its contractors to observe all applicable workplace rules and regulations. ESC shall cause its designees and consultants to carry appropriate insurance for their anticipated activities on the City and FHP Properties. ESC shall coordinate such site access with the City and FHP and carry out such activities in a manner that minimizes disruption.

(i) To the extent that ESC and its designees and consultants require site access to Ancillary Properties, or other properties complementary to the Downtown High Point Project Master Plan, the City and FHP shall use their good faith efforts to assist ESC in gaining site access.

12. Public Engagement

(a) Periodic Meetings with Public. ESC shall host periodic meetings with the City and FHP in High Point on a mutually agreed-upon schedule to engage local stakeholders, public officials, and quasi- public officials to gather input and provide updates related to the progress of Downtown High Point Project.

(b) Periodic Meetings with City Council. ESC shall schedule meetings on an approximately bimonthly basis with the City Council in High Point to gather input, feedback, and provide updates related to the progress of Downtown High Point Project.

13. Transferability

(a) ESC may assign its rights and obligations hereunder to an entity affiliated with ESC with the written consent of the City; the City shall not unreasonably withhold such consent.

14. Amendments

(a) This Agreement may be modified only by written amendment executed by the Parties.

15. **Authority to Bind**

(a) By signing below, the signatory warrants to having authority to bind the Party to this Agreement.

16. **Headings**

(a) The headings of the sections and subsections of this Agreement are for the convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof or thereof.

17. **Notices**

(a) Any notices required hereunder shall be sent by hand delivery, by overnight courier service for next day delivery, by electronic mail, or by certified mail, return receipt requested as follows:

<u>If to the City</u>:
City Manager
211 South Hamilton Street
High Point, North Carolina 27260

<u>With a copy to</u>:
City Attorney
211 South Hamilton Street
High Point, North Carolina 27260

<u>If to FHP</u>:
Executive Director
164 South Main Street, Suite 606
High Point, North Carolina 27260

<u>With a copy to</u>:
Doyle Early
Wyatt Early
Harris & Wheeler, LLP
1912 Eastchester Drive
High Point, North Carolina 27265

<u>If to ESC</u>:
Mr. Tim Elliott
14545 Manor Road
Phoenix, Maryland 21131

With a copy to:
James R. Deveney, II
1122 Kenilworth Drive, Suite 418
Towson, Maryland 21204

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement as of the ___ of October, 2017.

City of High Point

By: ____________________________

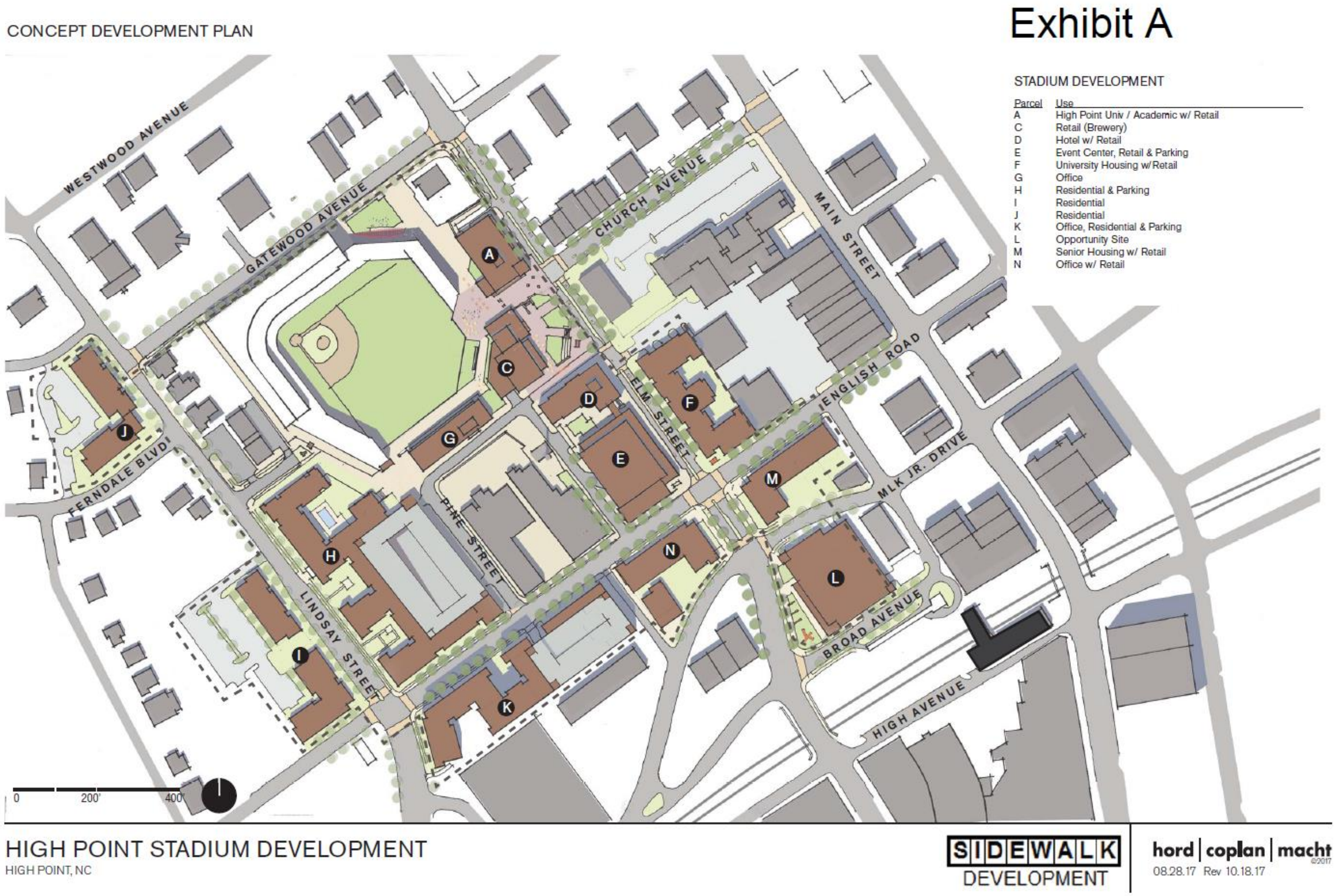
Forward High Point Inc.

By: ____________________________

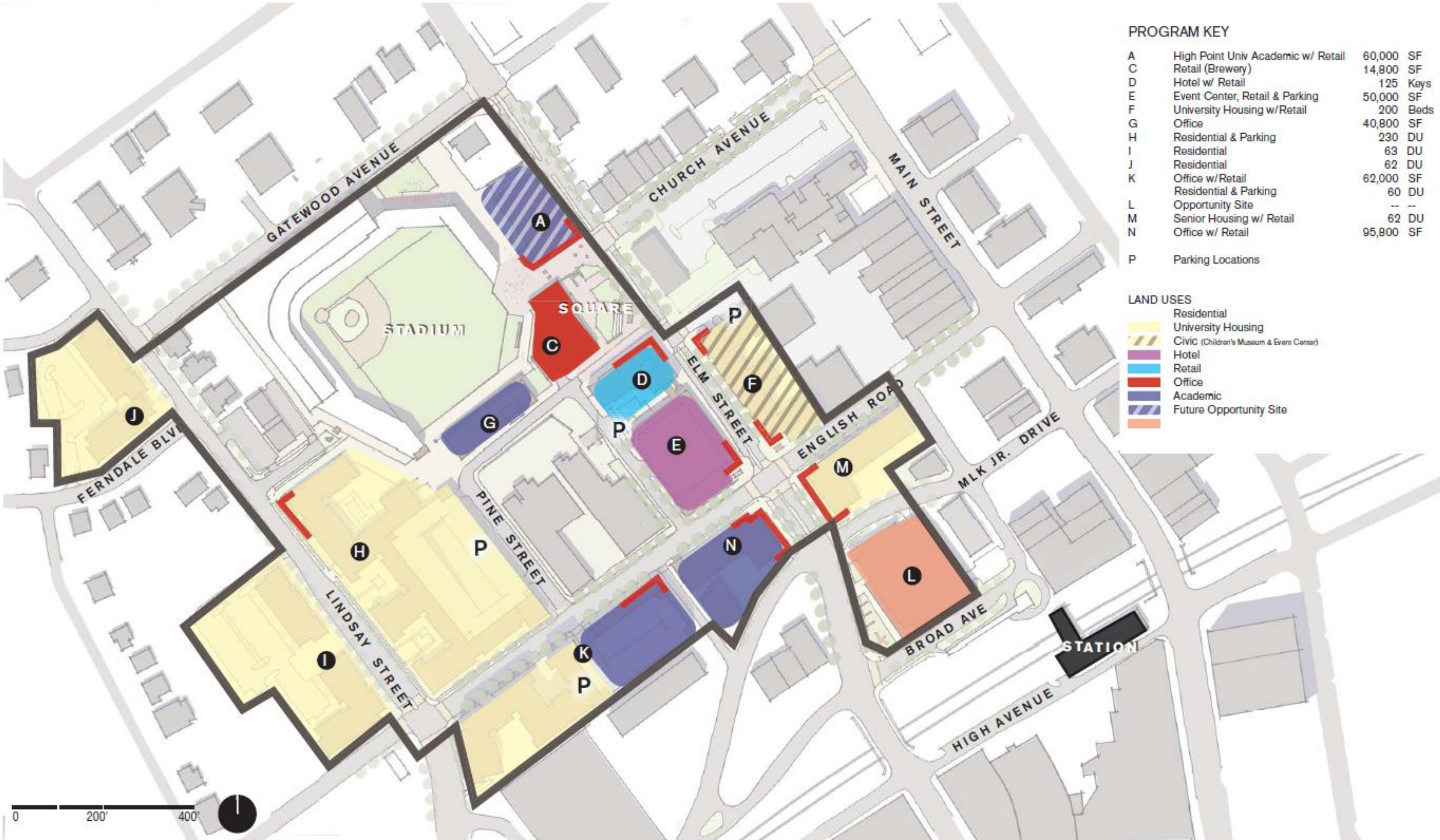
Elliott Sidewalk Communities High Point LLC

By: ____________________________

Exhibit A
Concept Development Plan



GENERAL LAND USE PLAN



HIGH POINT STADIUM DEVELOPMENT
HIGH POINT, NC

SIDEWALK DEVELOPMENT

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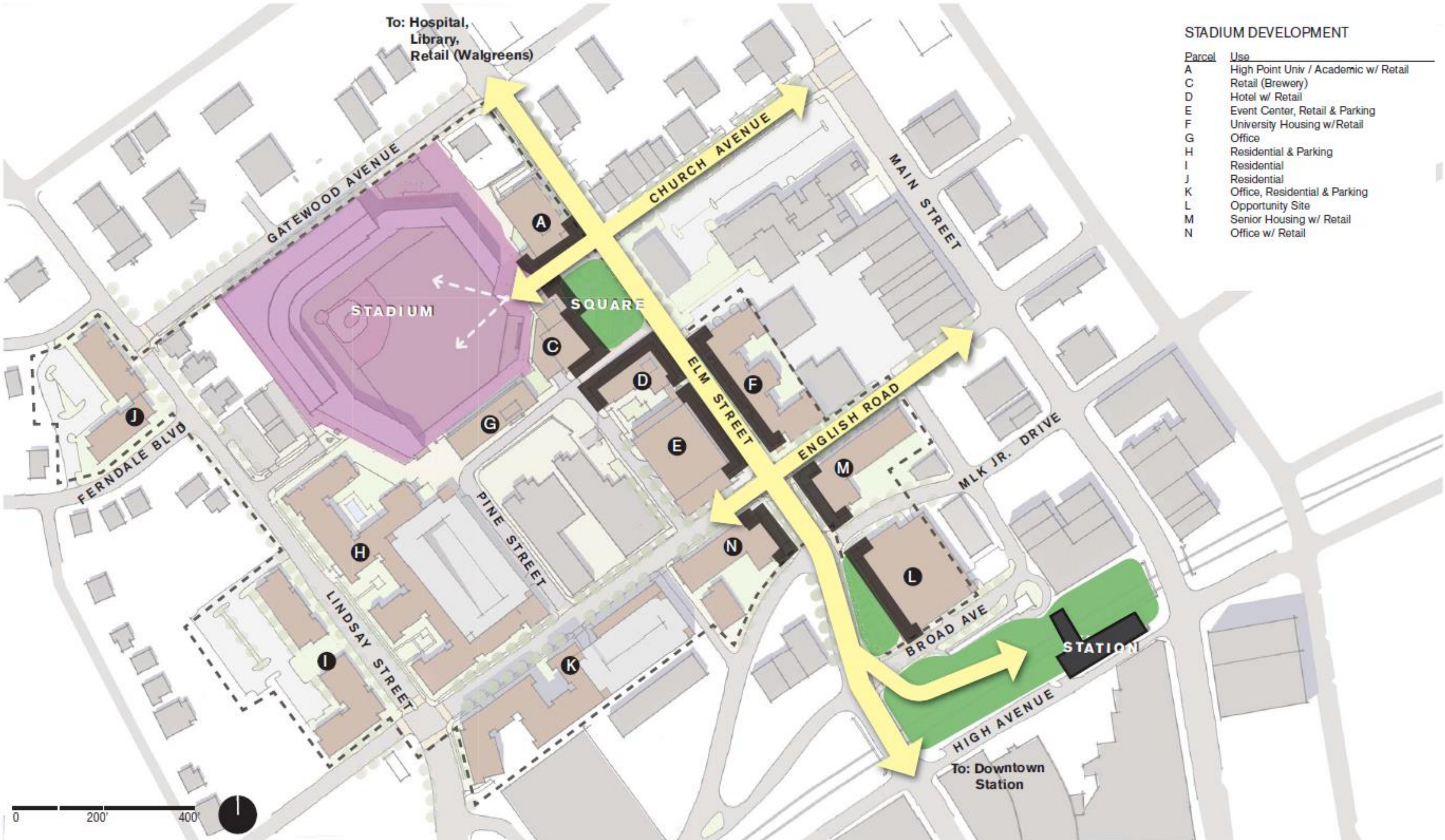
ELM STREET CONNECTION



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SIDEWALK DEVELOPMENT

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Exhibit B
Primary and Secondary Properties

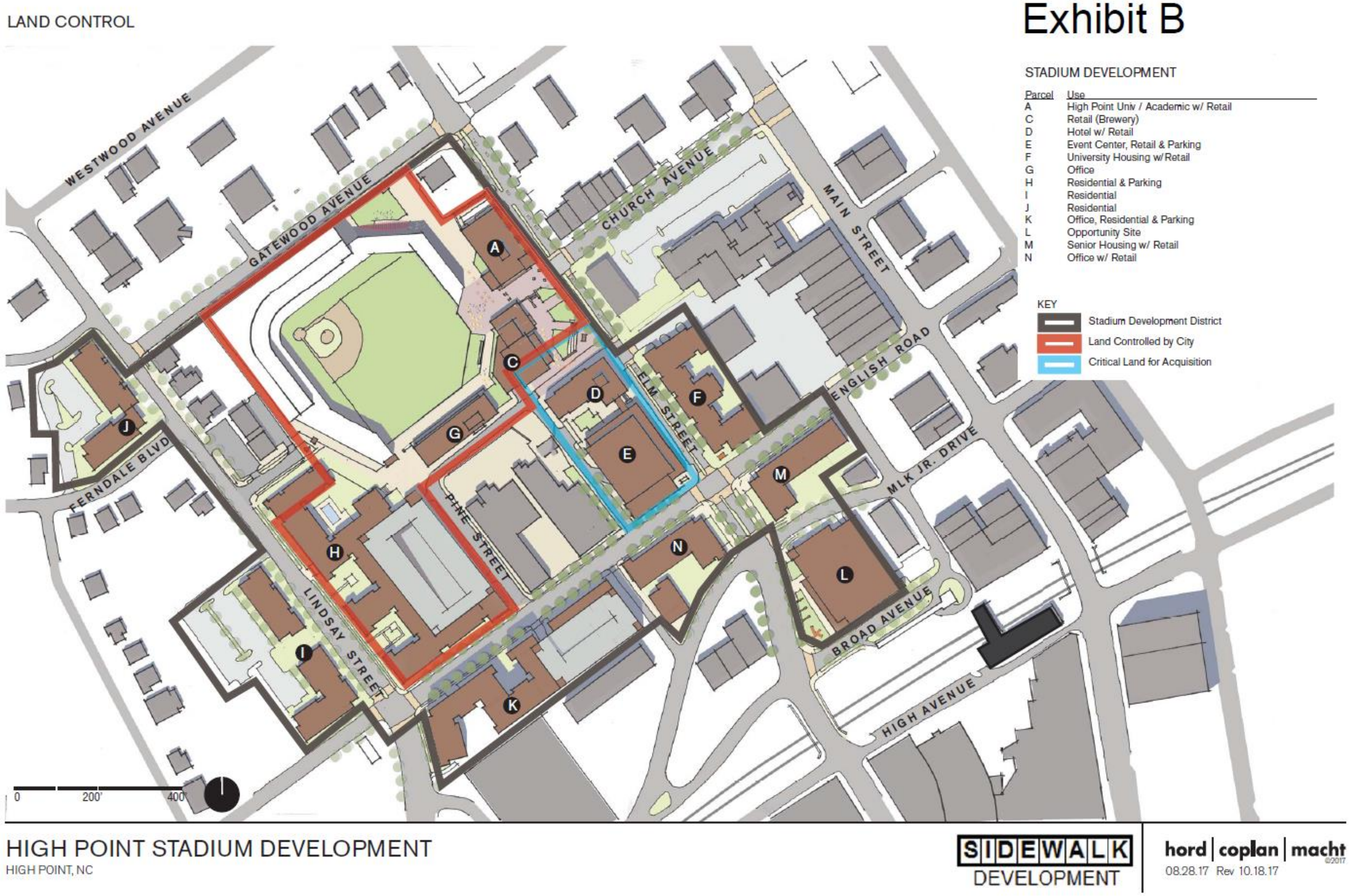


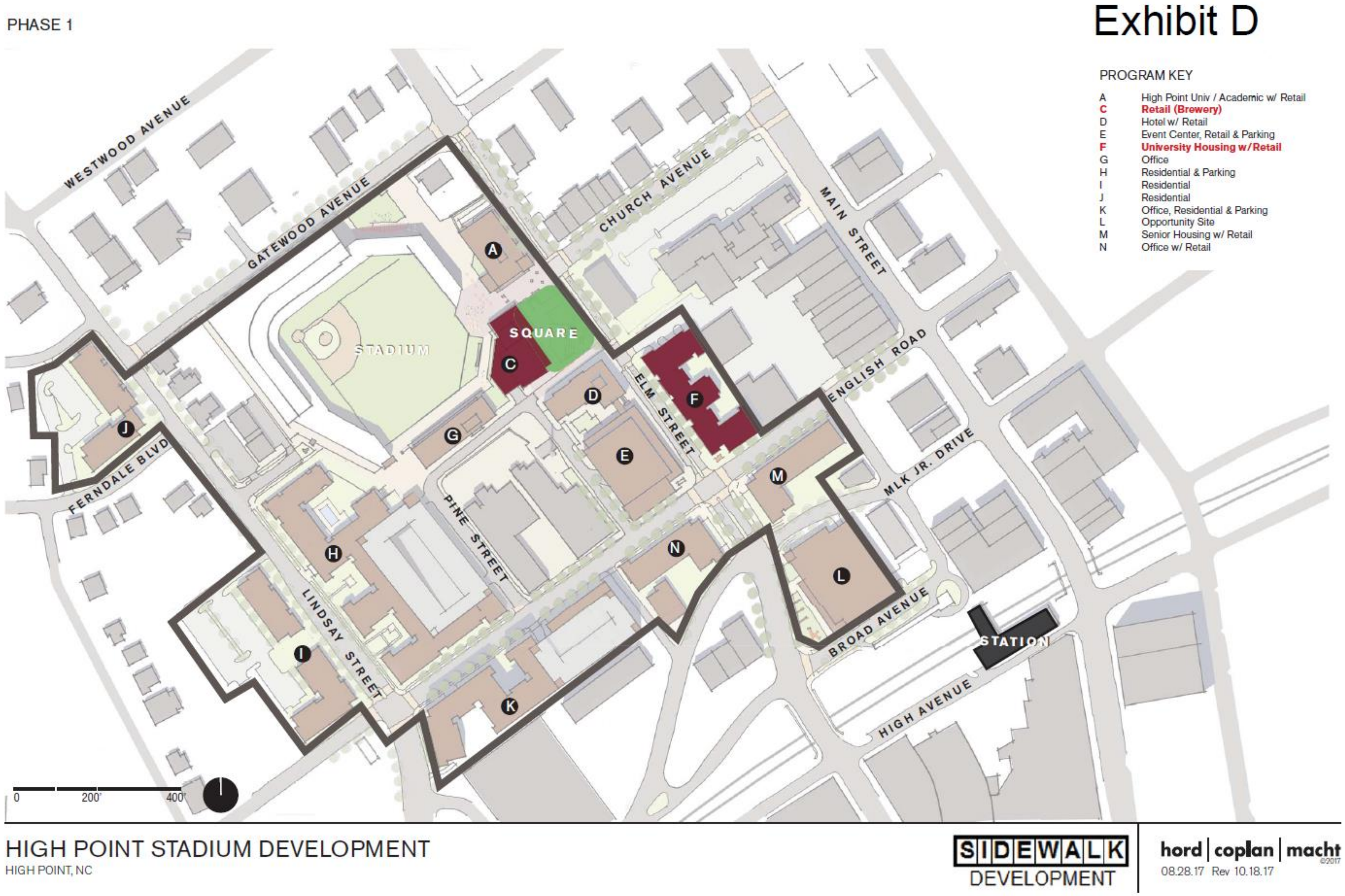
Exhibit C

Master Development Agreement and Execution												
	Total Project	**Month 1**	**Month 2**	**Month 3**	**Month 4**	**Month 5**	**Month 6**	**Month 7**	**Month 8**	**Month 9**	**Month 10**	**Total**
G&A	**Project Executive**											$0.00
	Assistant Project Manager											$0.00
Consultants	**Master Planning/ Landscape Architecture**		$10,000.00	$10,000.00	$15,000.00	$15,000.00						$50,000.00
	Sidewalk Planning Dir											$0.00
Pre-development	**Legal**	$25,000.00	$20,000.00	$10,000.00	$10,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$95,000.00
	PUD	$10,000.00	$10,000.00									$20,000.00
	Travel	$3,000.00	$3,000.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,000.00	$2,000.00	$2,000.00	$24,500.00
	High Point Office											$0.00
	Engineering	$15,000.00	$30,000.00	$30,000.00	$15,000.00	$10,000.00			$15,000.00	$20,000.00		$135,000.00
	Site Demo Plan		$5,000.00	$5,000.00	$5,000.00							$15,000.00
	Marketing (Web/PR, etc.)		$10,000.00	$10,000.00	$5,000.00	$5,000.00	$5,000.00			$10,000.00	$5,000.00	$50,000.00
	Architectural Rendering		$10,000.00	$10,000.00	$10,000.00				$10,000.00			$40,000.00

Traffic Study			$10,000.00	$15,000.00							$25,000.00
Architectural Pattern Book		$15,000.00	$15,000.00	$15,000.00							$45,000.00
Signage Design/Criteria		$15,000.00	$15,000.00	$15,000.00							$45,000.00
Senior Living Study	$10,000.00										$10,000.00
Environmental											$0.00
Economic Impact Study		$10,000.00	$10,000.00								$20,000.00
Community Relations/ PR	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$25,000.00
Contingency											$0.00
TOTAL	$65,500.00	$140,500.00	$130,000.00	$110,000.00	$40,000.00	$15,000.00	$10,000.00	$34,500.00	$39,500.00	$14,500.00	$599,500.00

PPAB 3904265v6

Exhibit D
Development Phases



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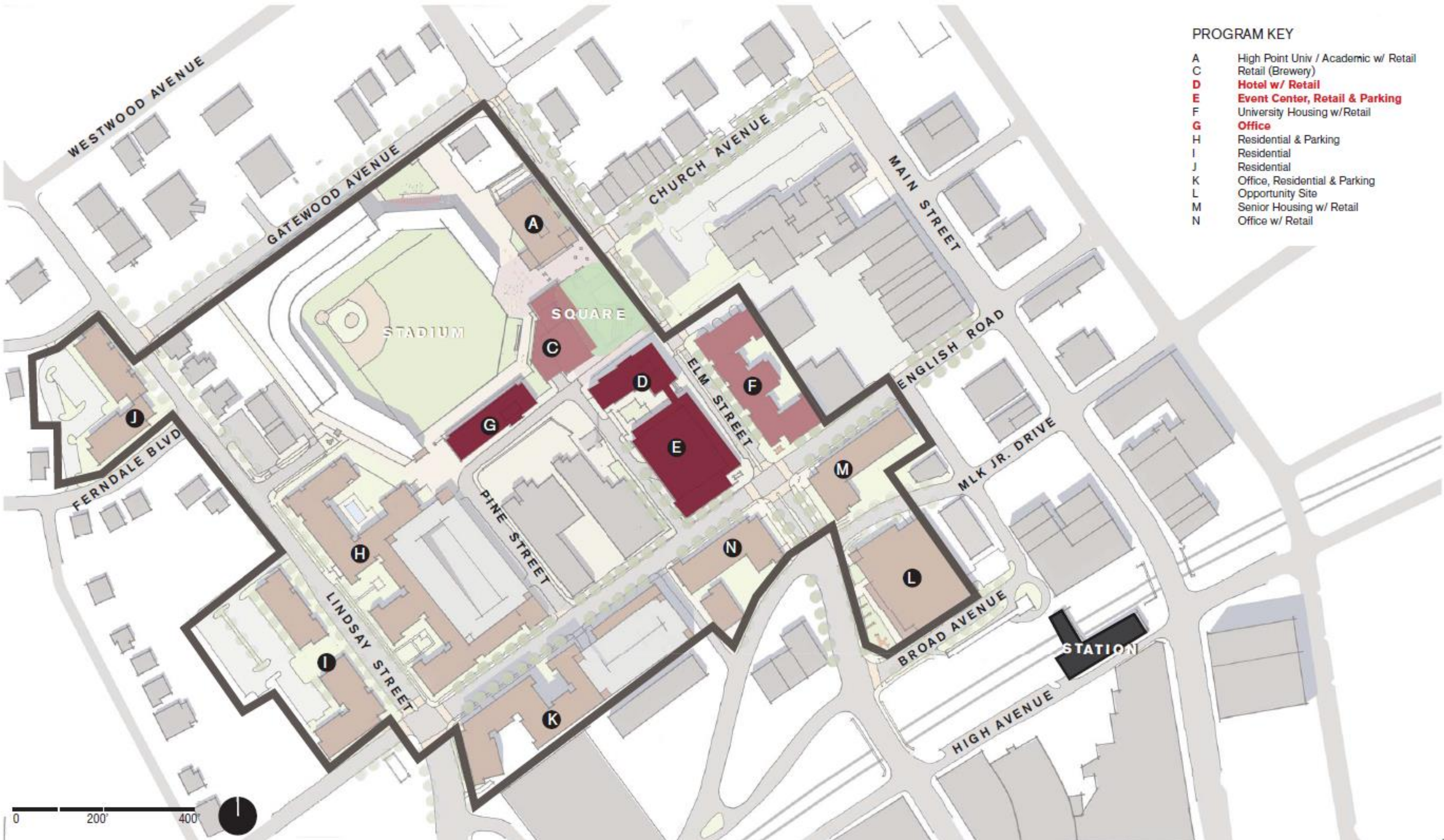

HIGH POINT STADIUM DEVELOPMENT

HIGH POINT, NC

SIDEWALK DEVELOPMENT

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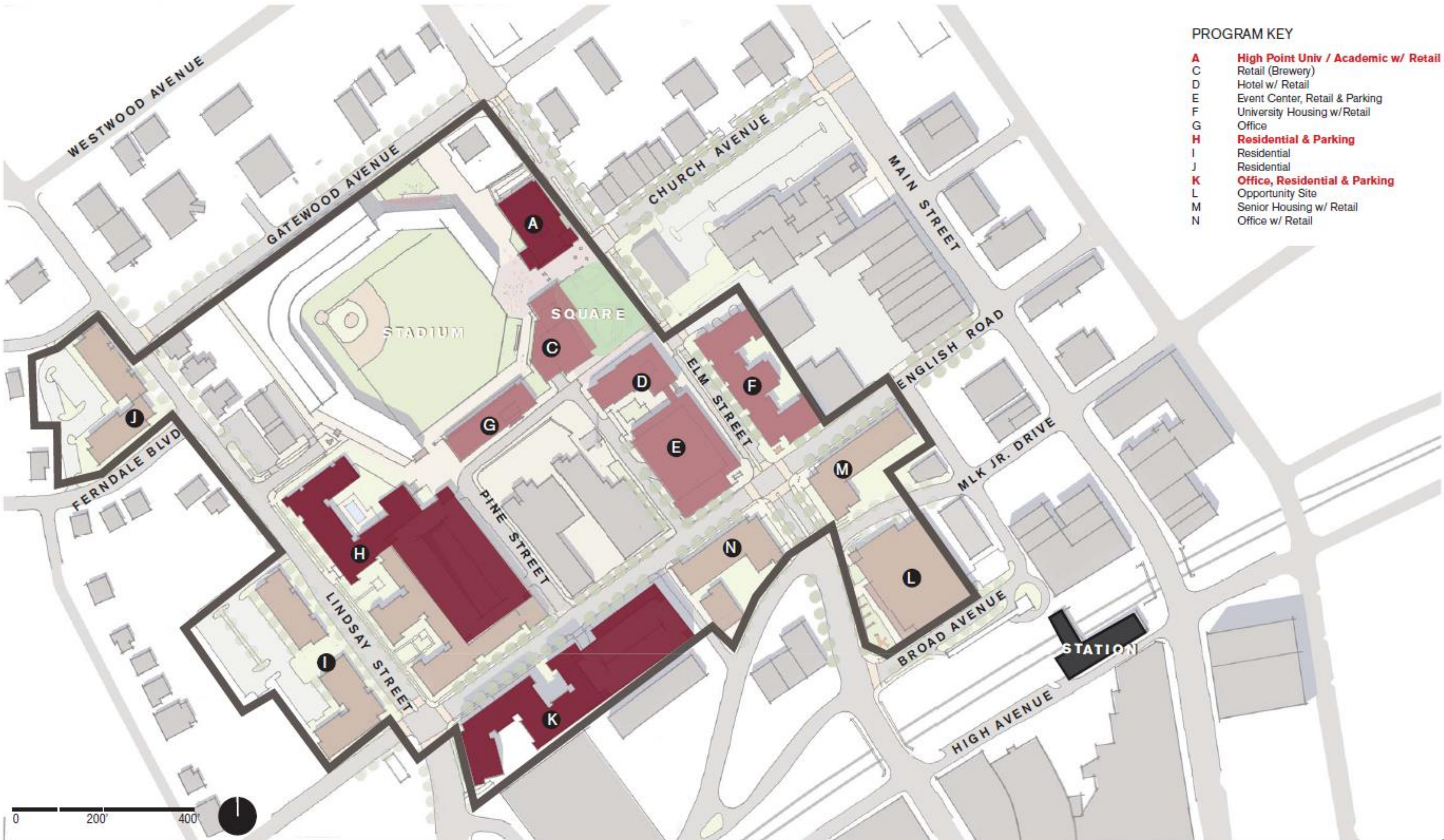
PHASE 3



HIGH POINT STADIUM DEVELOPMENT
HIGH POINT, NC

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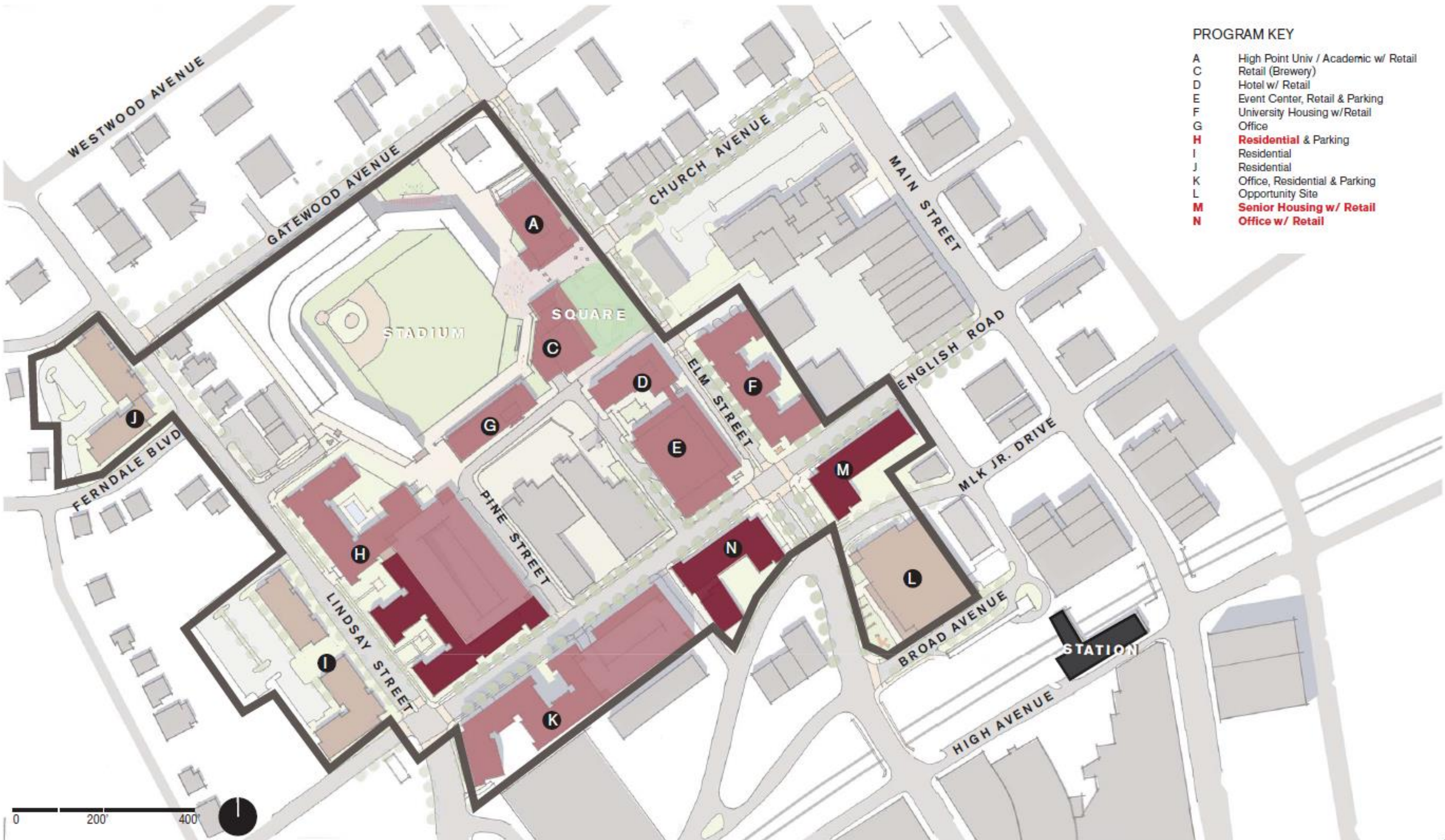

HIGH POINT STADIUM DEVELOPMENT
HIGH POINT, NC

SIDEWALK DEVELOPMENT

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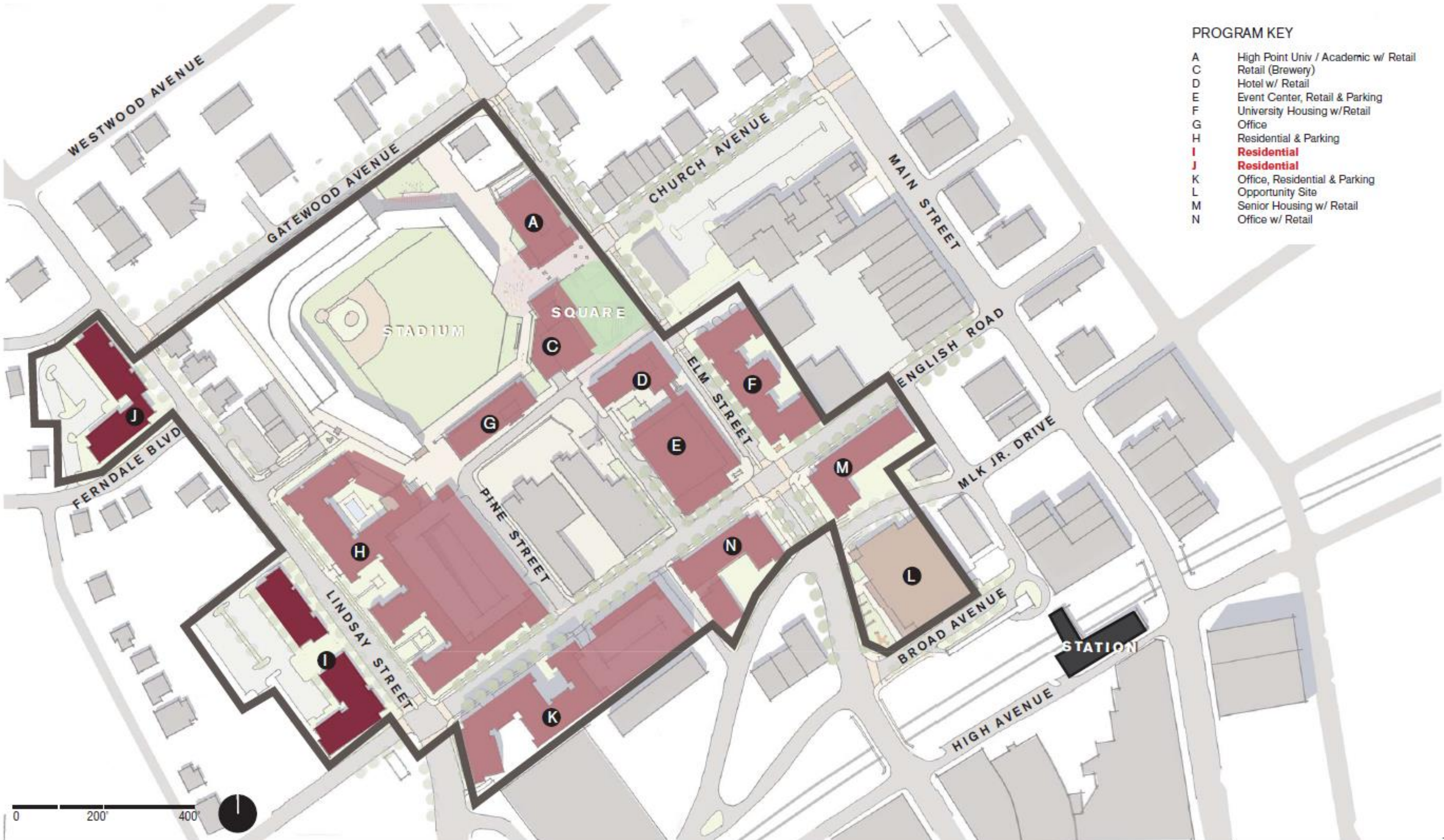

HIGH POINT STADIUM DEVELOPMENT
HIGH POINT, NC

SIDEWALK DEVELOPMENT

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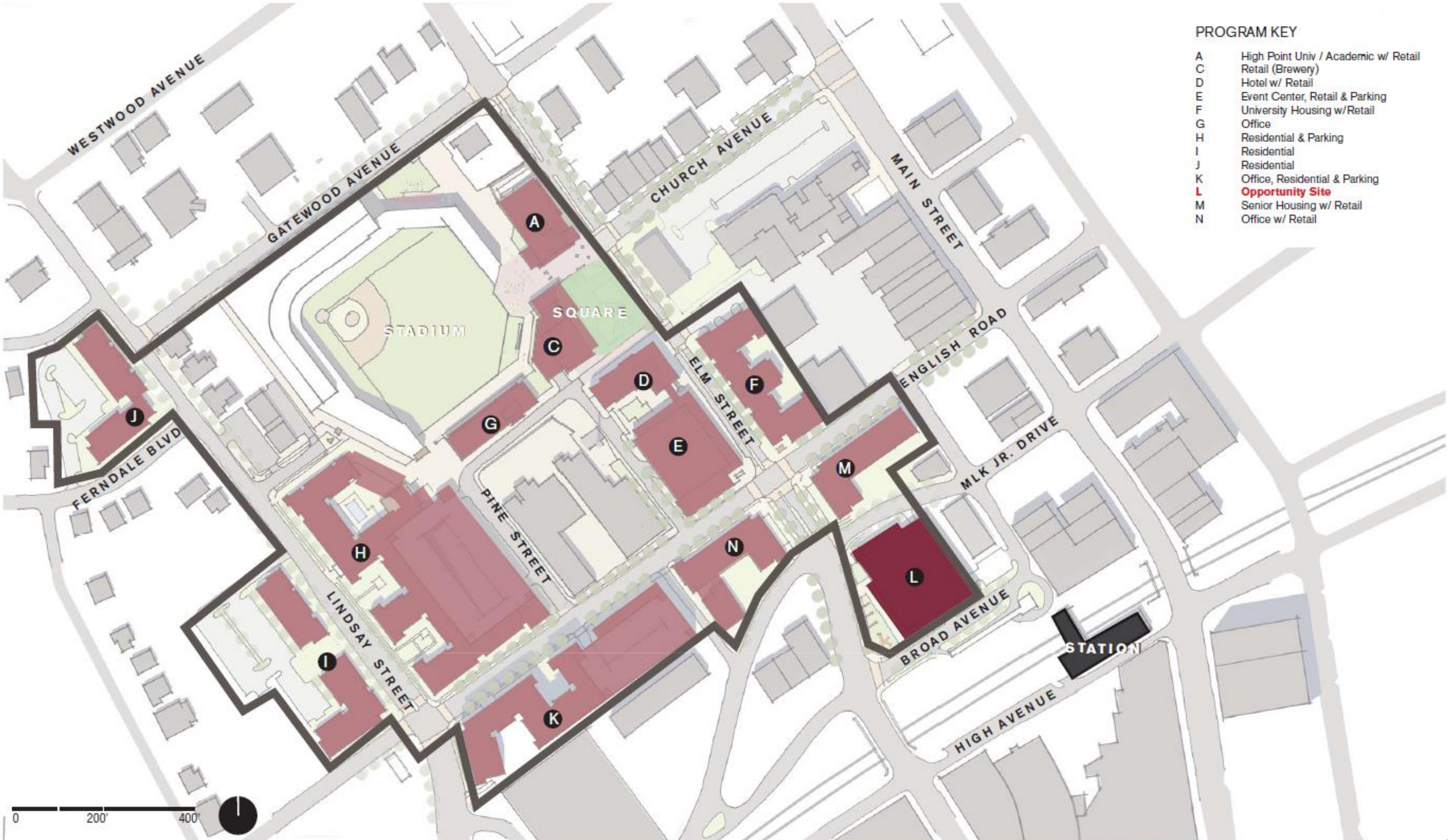

HIGH POINT STADIUM DEVELOPMENT
HIGH POINT, NC

SIDEWALK DEVELOPMENT

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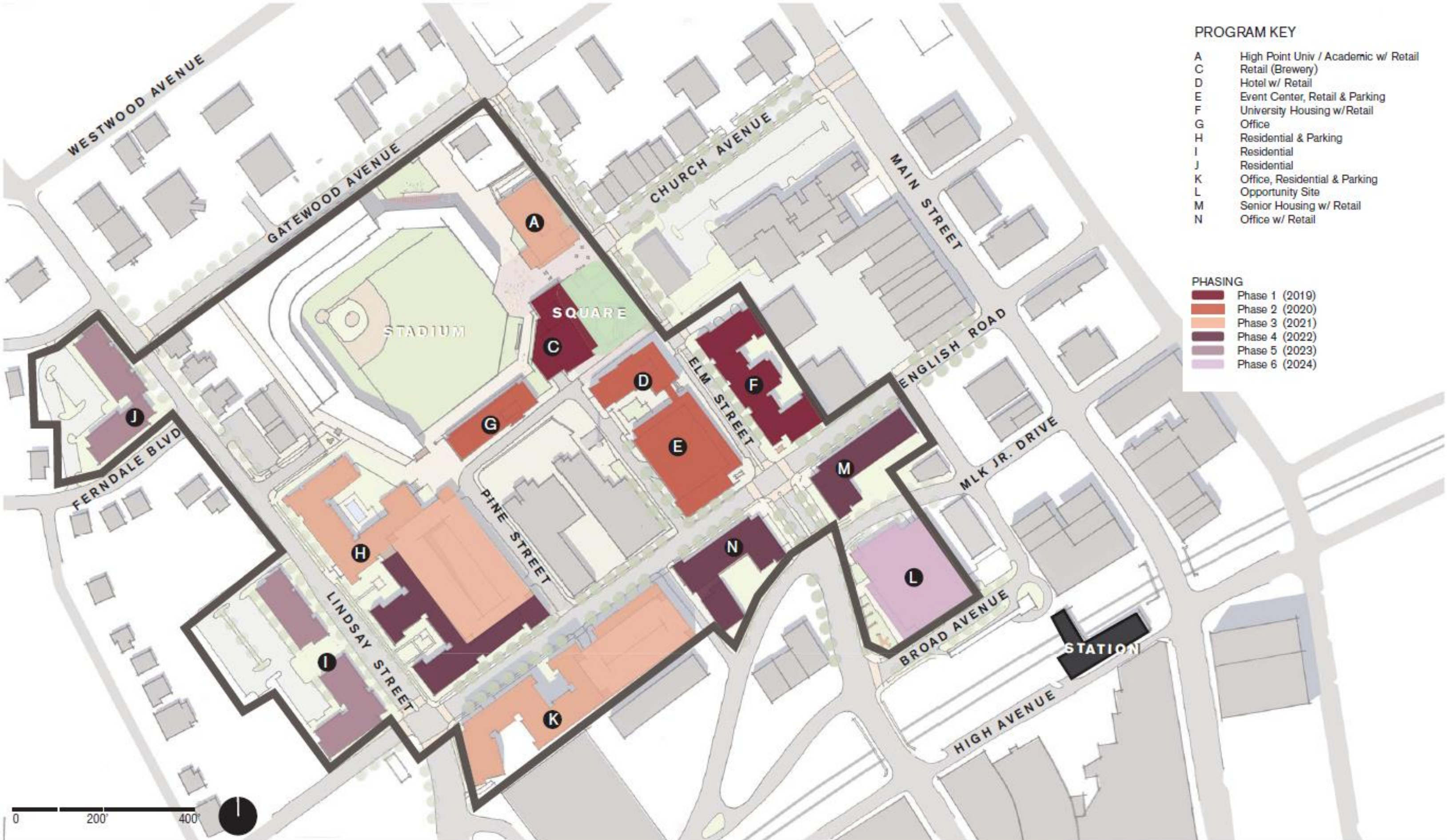
PHASING PLAN SUMMARY



HIGH POINT STADIUM DEVELOPMENT

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HIGH POINT STADIUM DEVELOPMENT

DEVELOPMENT STUDY

SIDEWALK DEVELOPMENT

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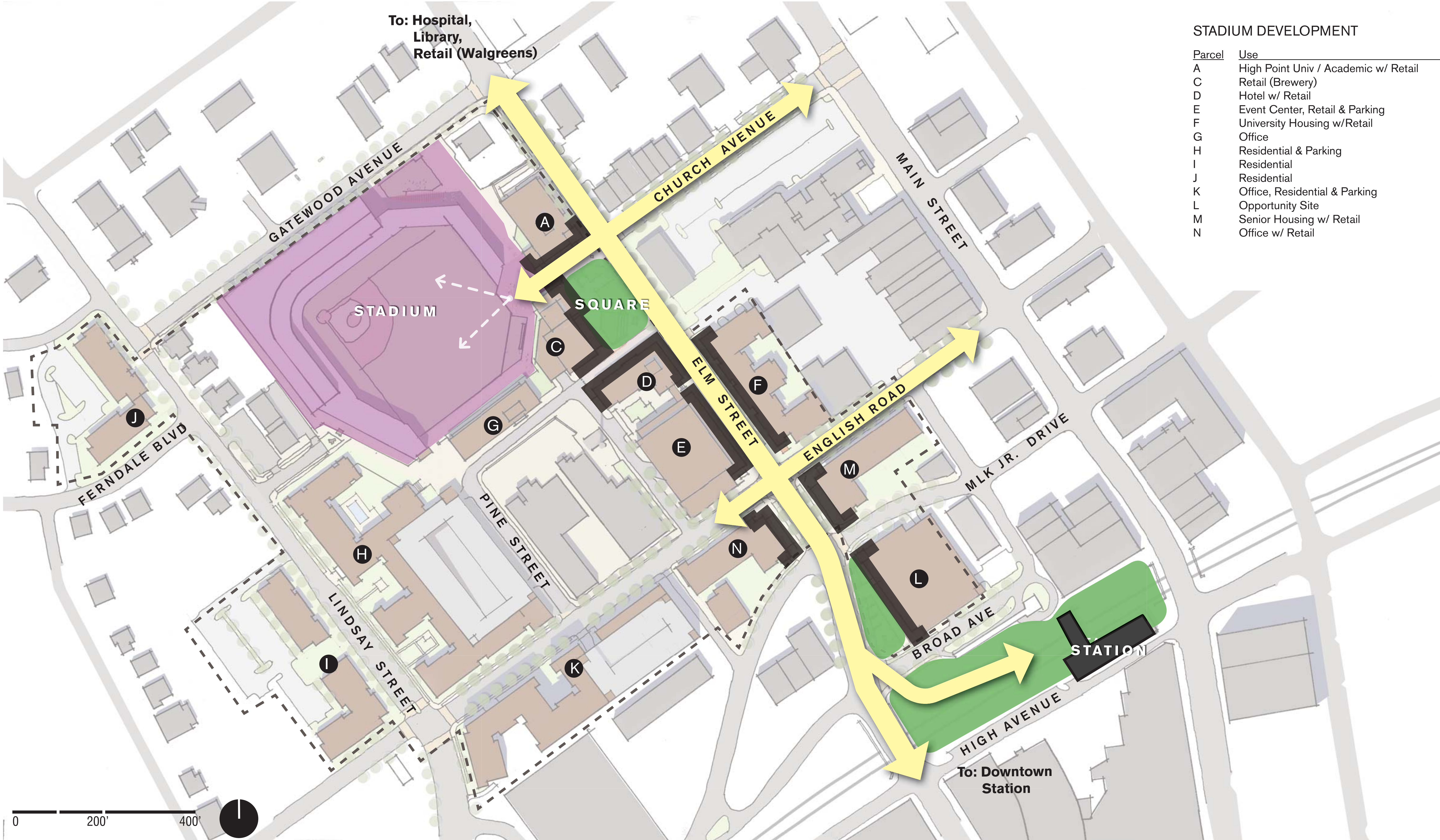
ELM STREET CONNECTION



STADIUM DEVELOPMENT

Parcel	Use
A	High Point Univ / Academic w/ Retail
C	Retail (Brewery)
D	Hotel w/ Retail
E	Event Center, Retail & Parking
F	University Housing w/Retail
G	Office
H	Residential & Parking
I	Residential
J	Residential
K	Office, Residential & Parking
L	Opportunity Site
M	Senior Housing w/ Retail
N	Office w/ Retail

HIGH POINT STADIUM DEVELOPMENT

HIGH POINT, NC

SIDEWALK DEVELOPMENT

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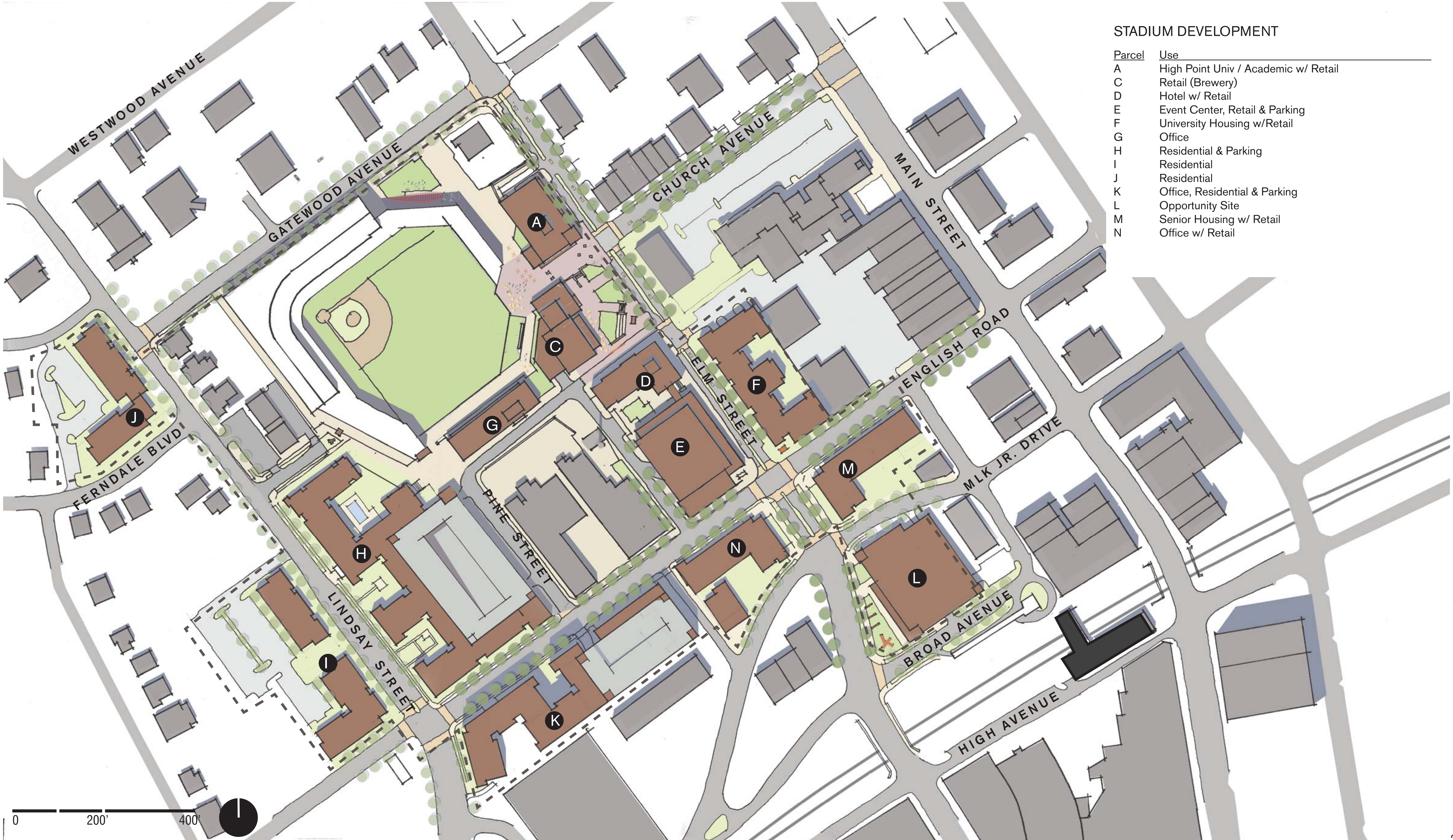
CONCEPT DEVELOPMENT PLAN



STADIUM DEVELOPMENT

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HIGH POINT STADIUM DEVELOPMENT

HIGH POINT, NC

SIDEWALK DEVELOPMENT

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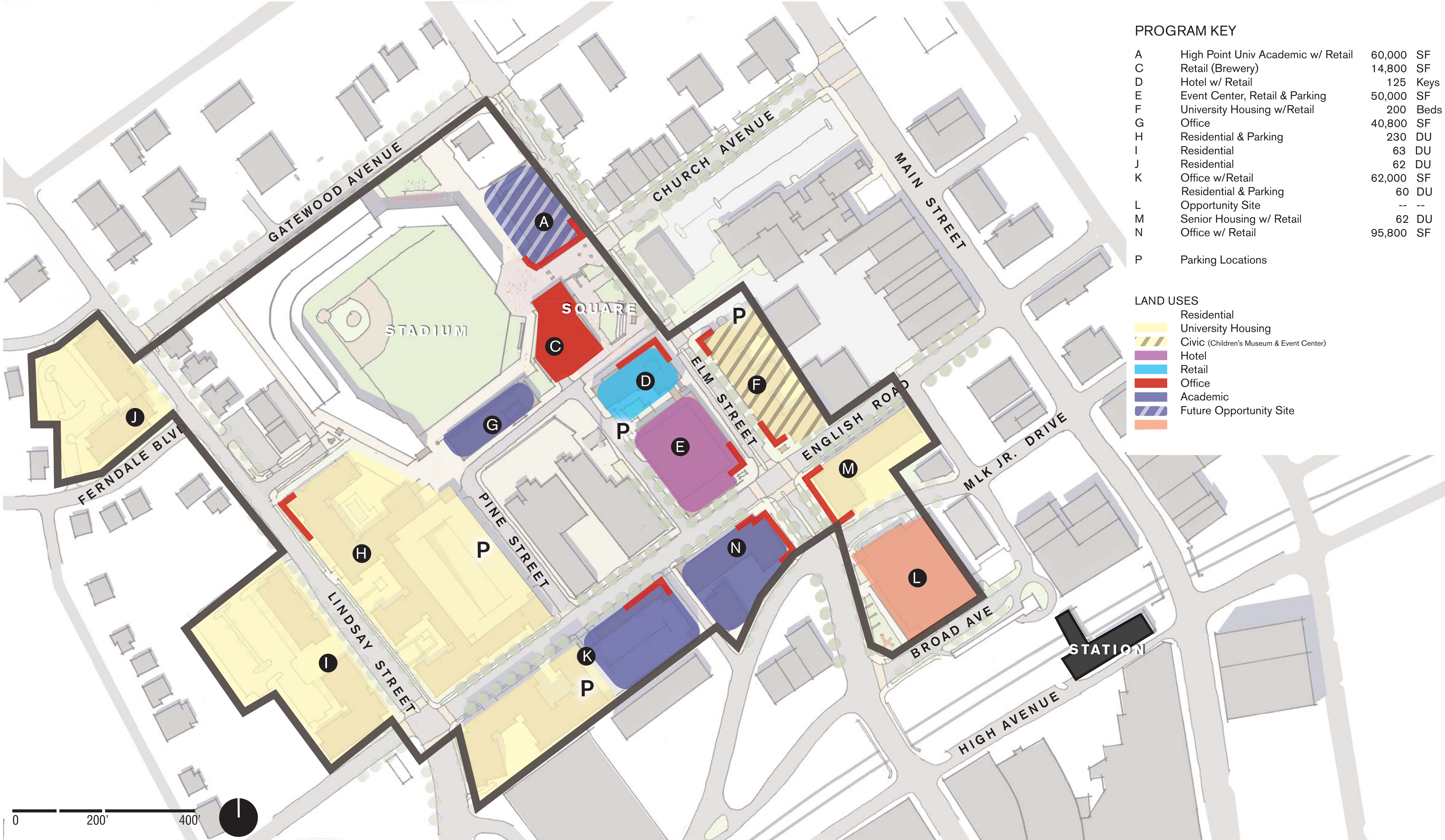
GENERAL LAND USE PLAN



HIGH POINT STADIUM DEVELOPMENT

HIGH POINT, NC

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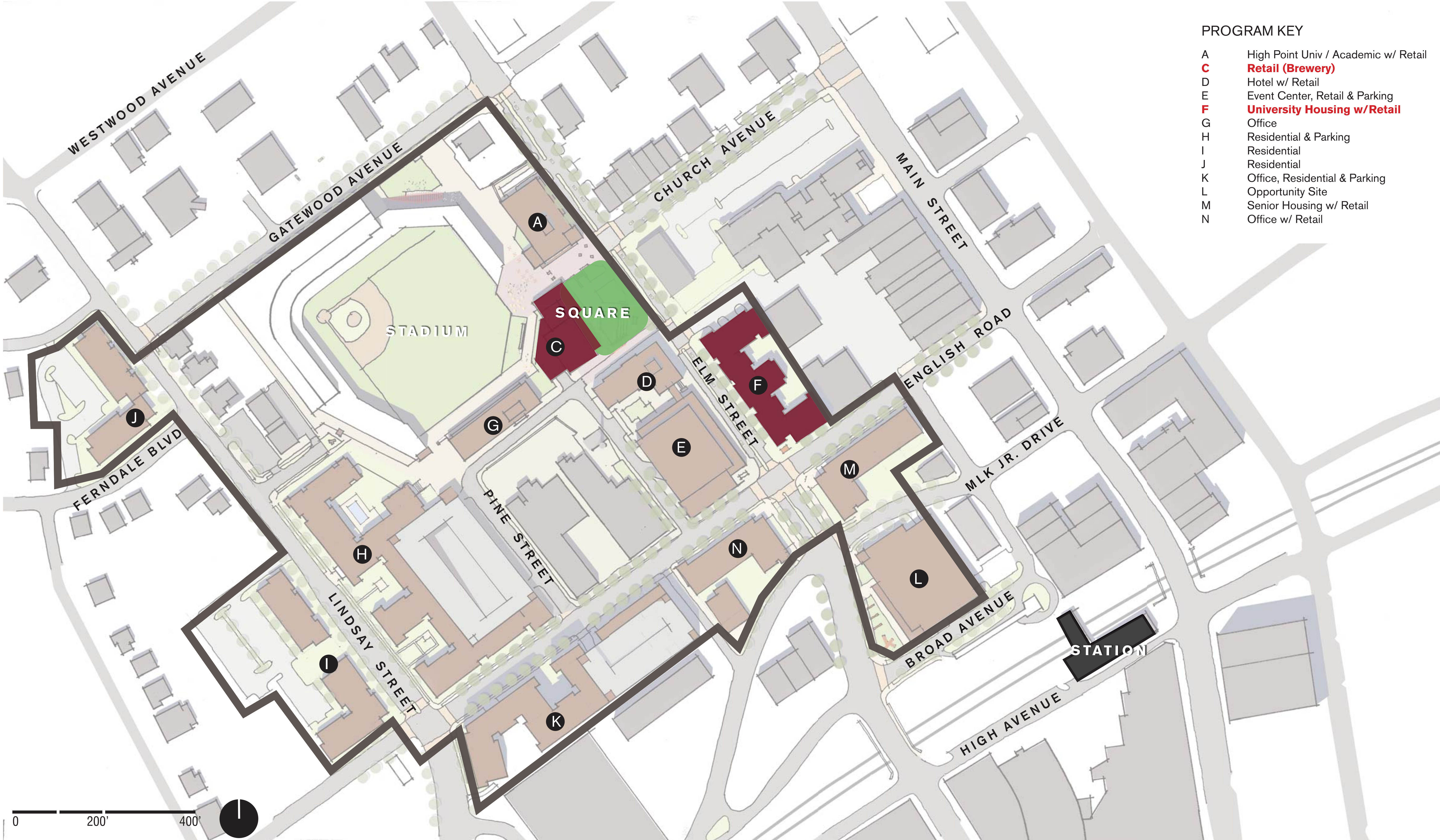

PROGRAM KEY

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HIGH POINT STADIUM DEVELOPMENT

HIGH POINT, NC

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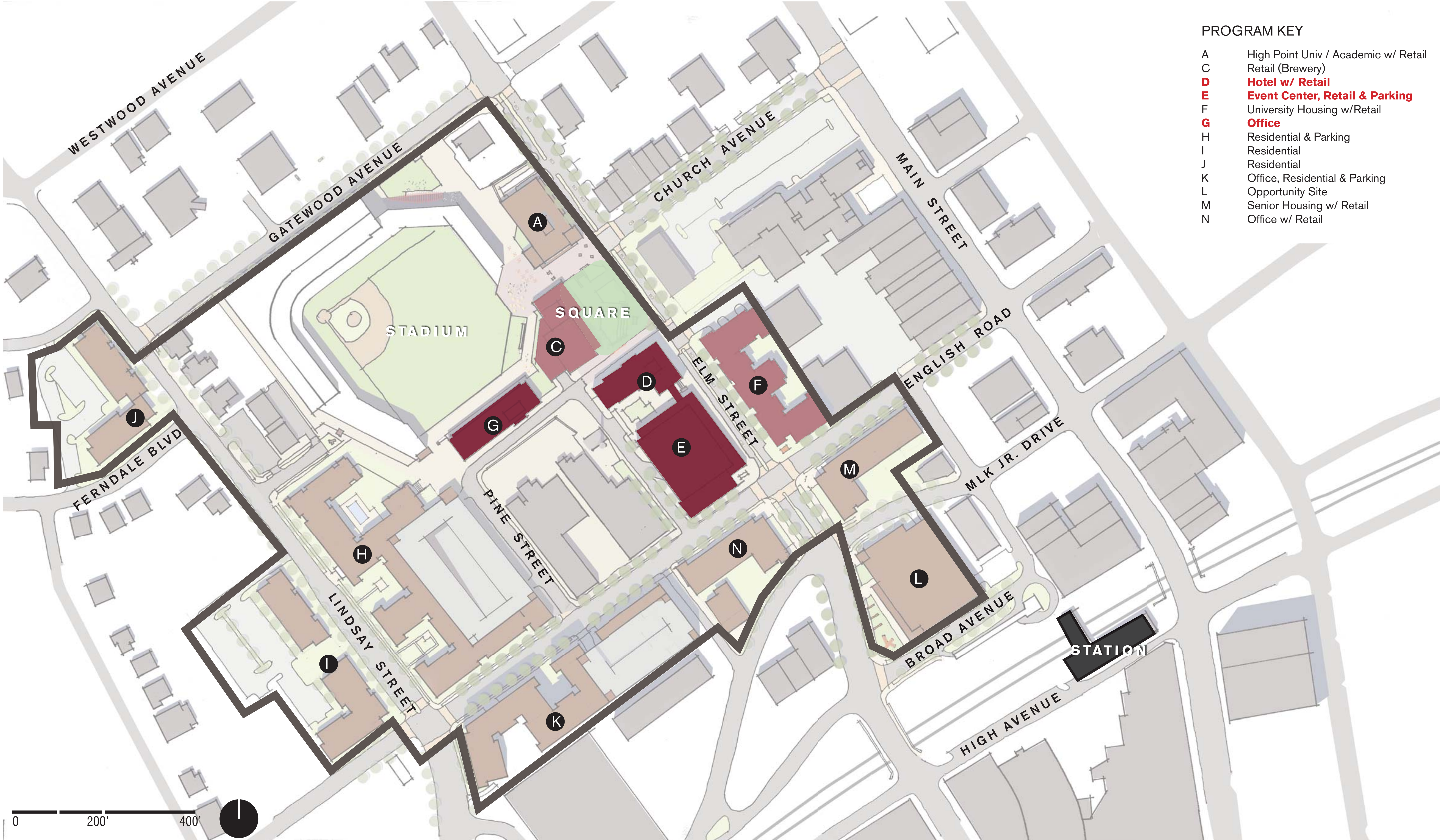

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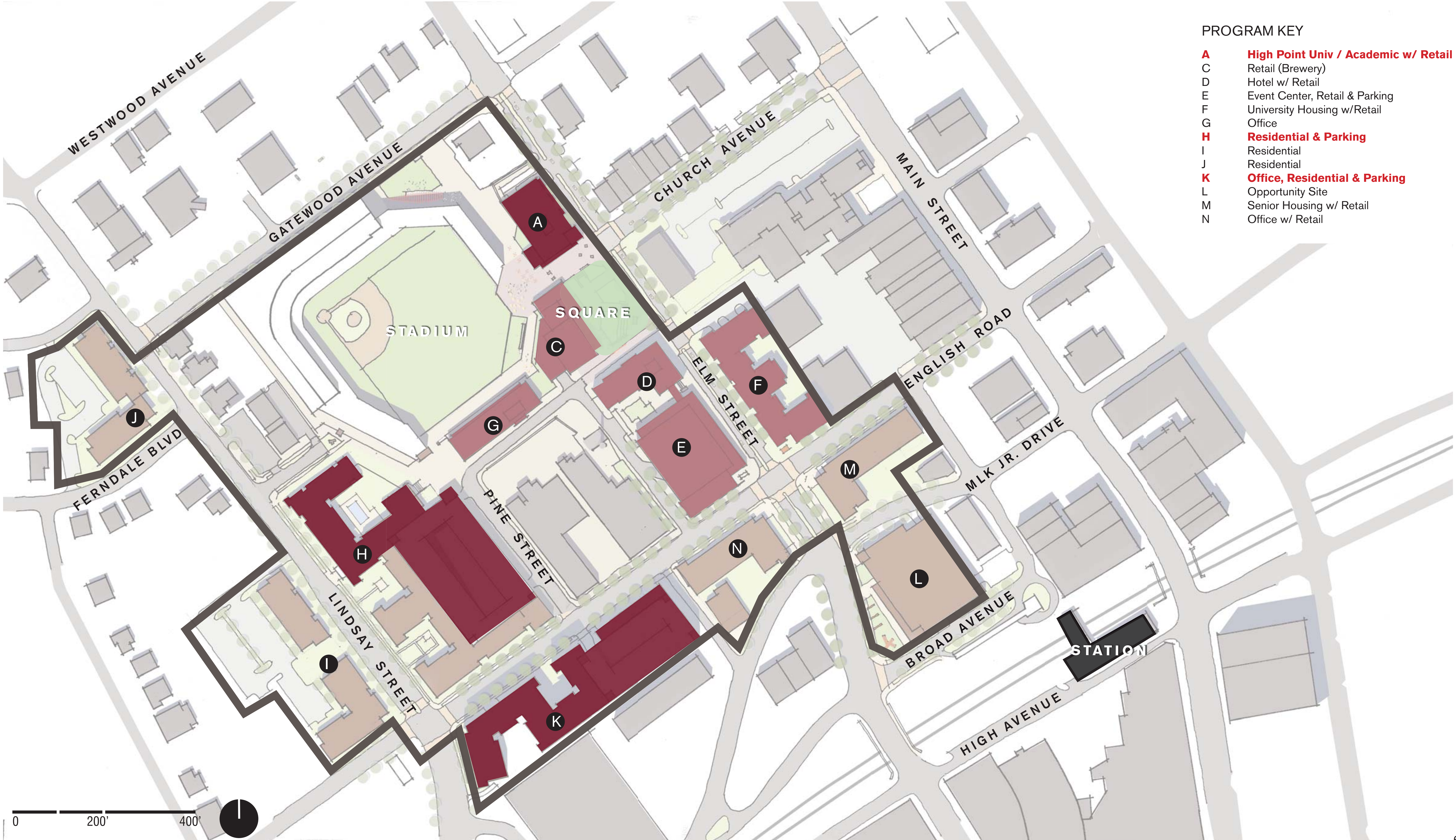

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HIGH POINT STADIUM DEVELOPMENT
HIGH POINT, NC

SIDEWALK DEVELOPMENT

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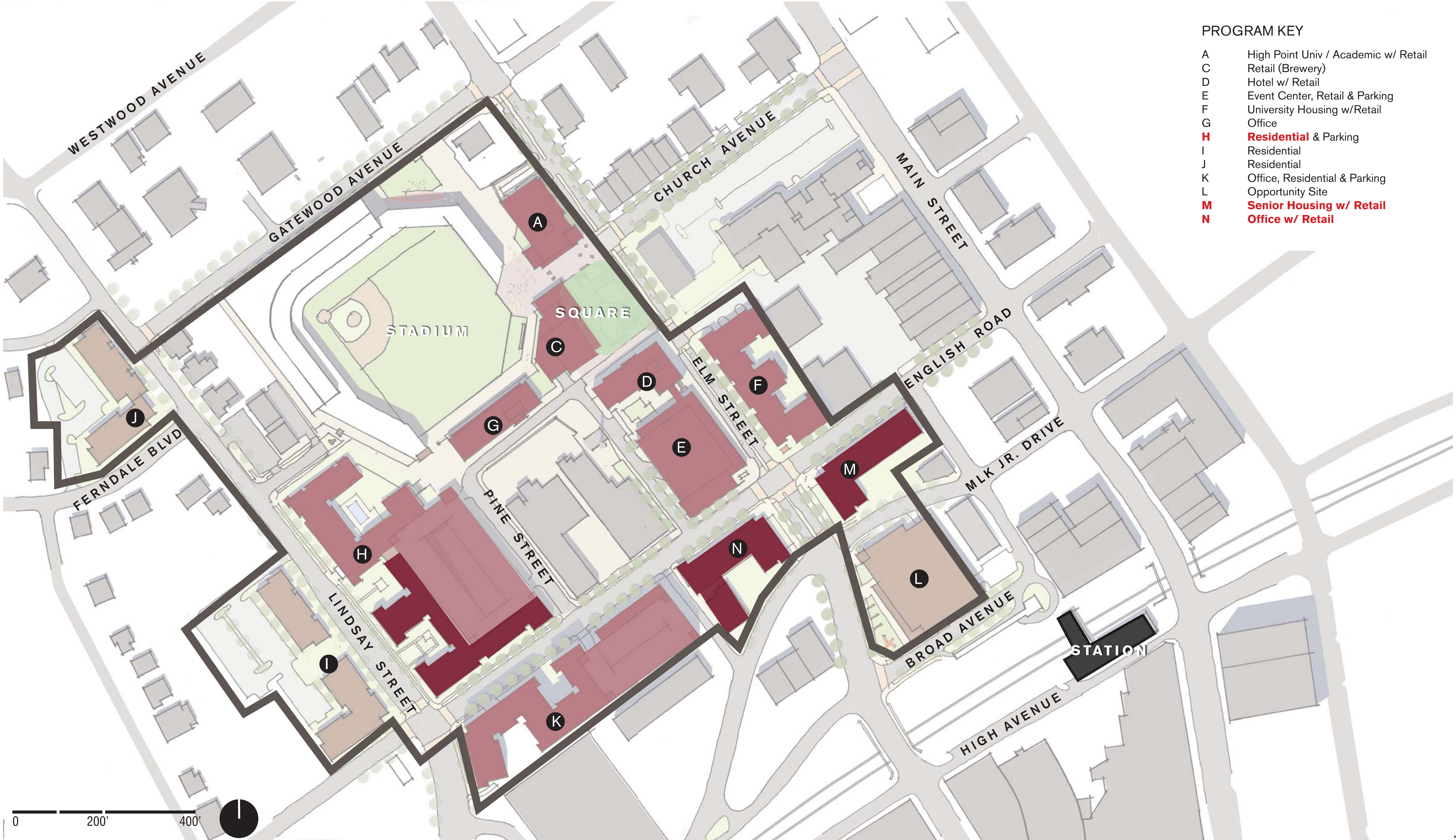

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HIGH POINT STADIUM DEVELOPMENT

HIGH POINT, NC

SIDEWALK DEVELOPMENT

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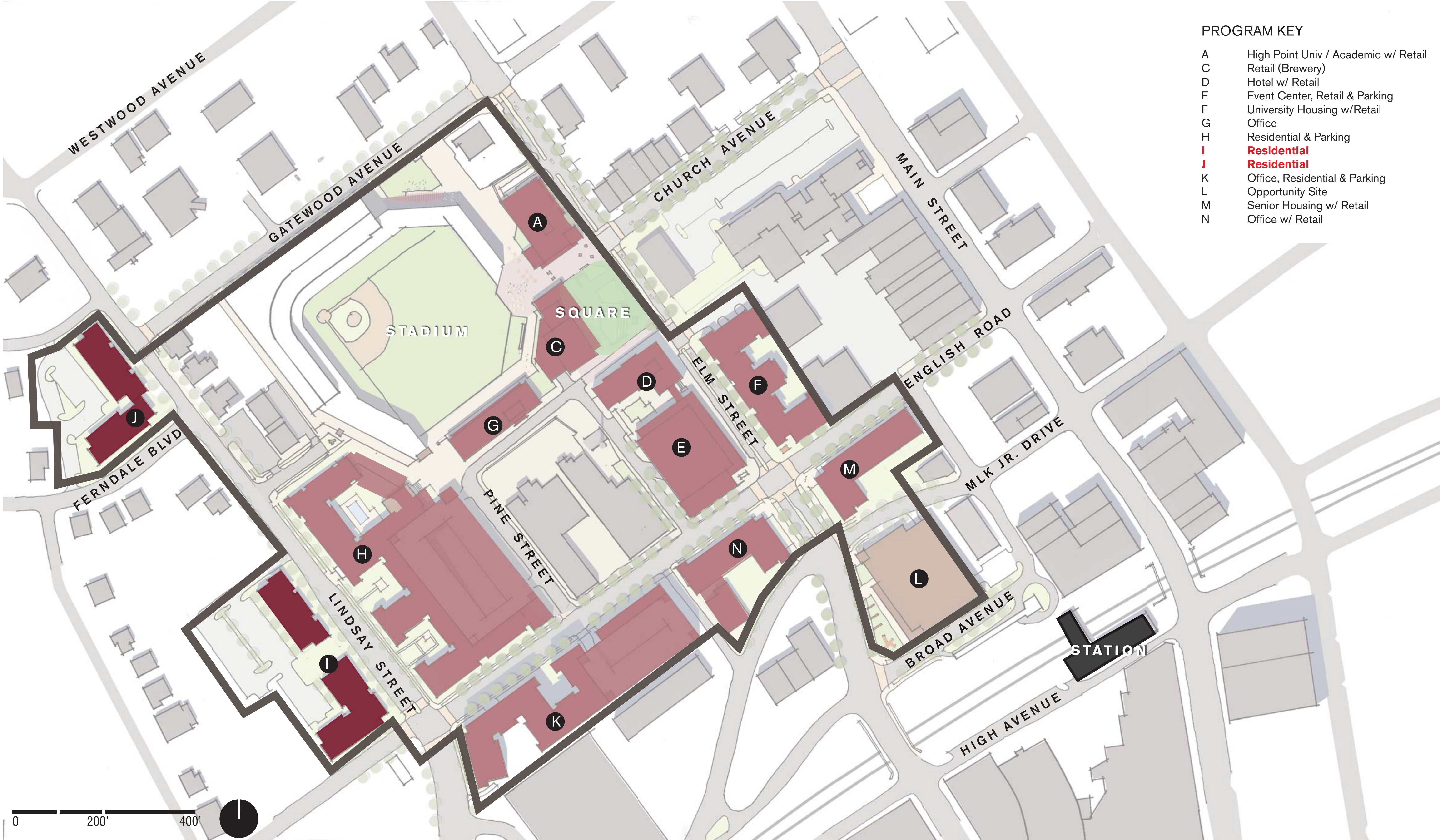
PHASE 5



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HIGH POINT STADIUM DEVELOPMENT

HIGH POINT, NC

SIDEWALK DEVELOPMENT

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08.28.17 Rev 10.18.17

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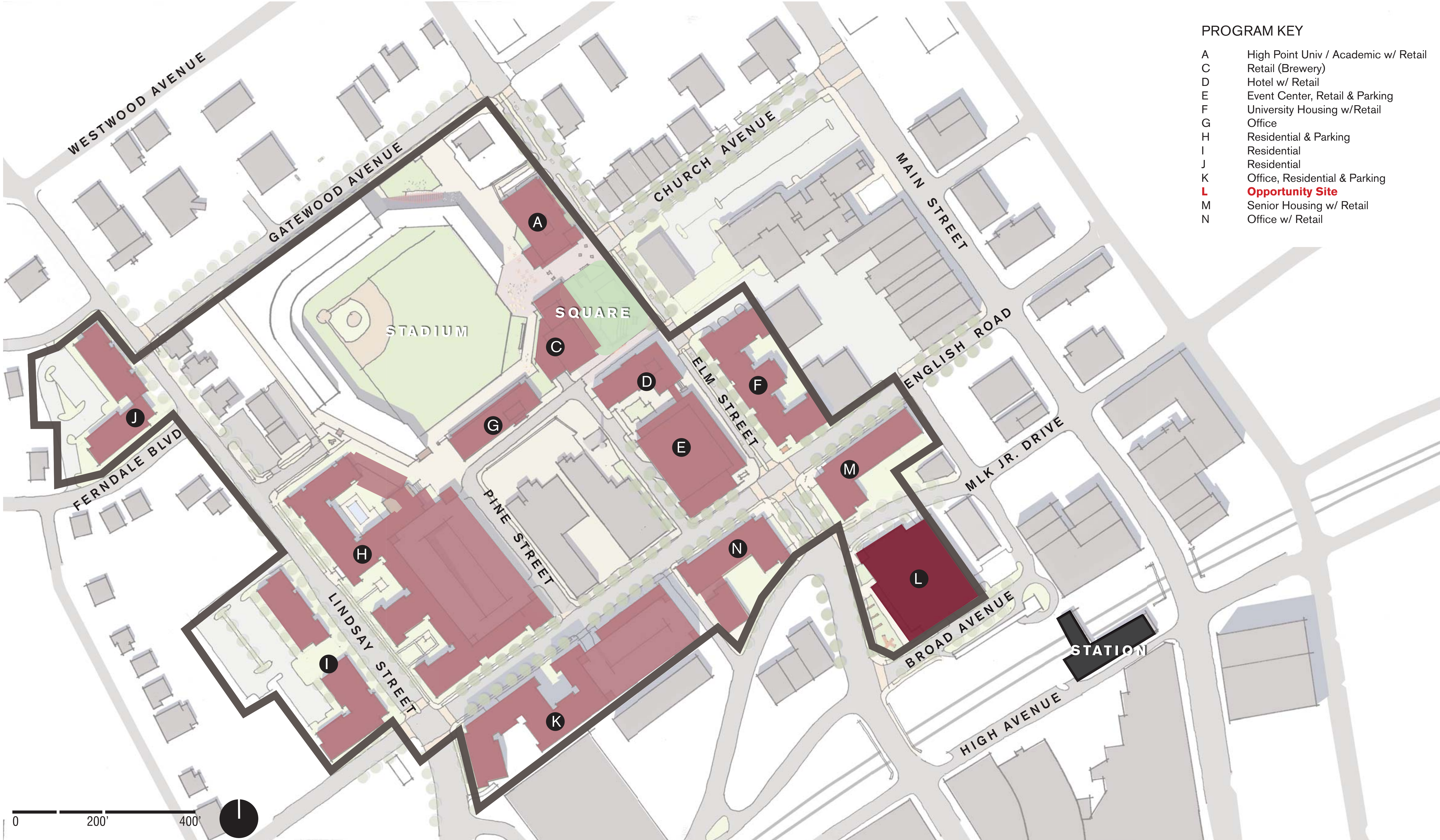

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HIGH POINT, NC

SIDEWALK DEVELOPMENT

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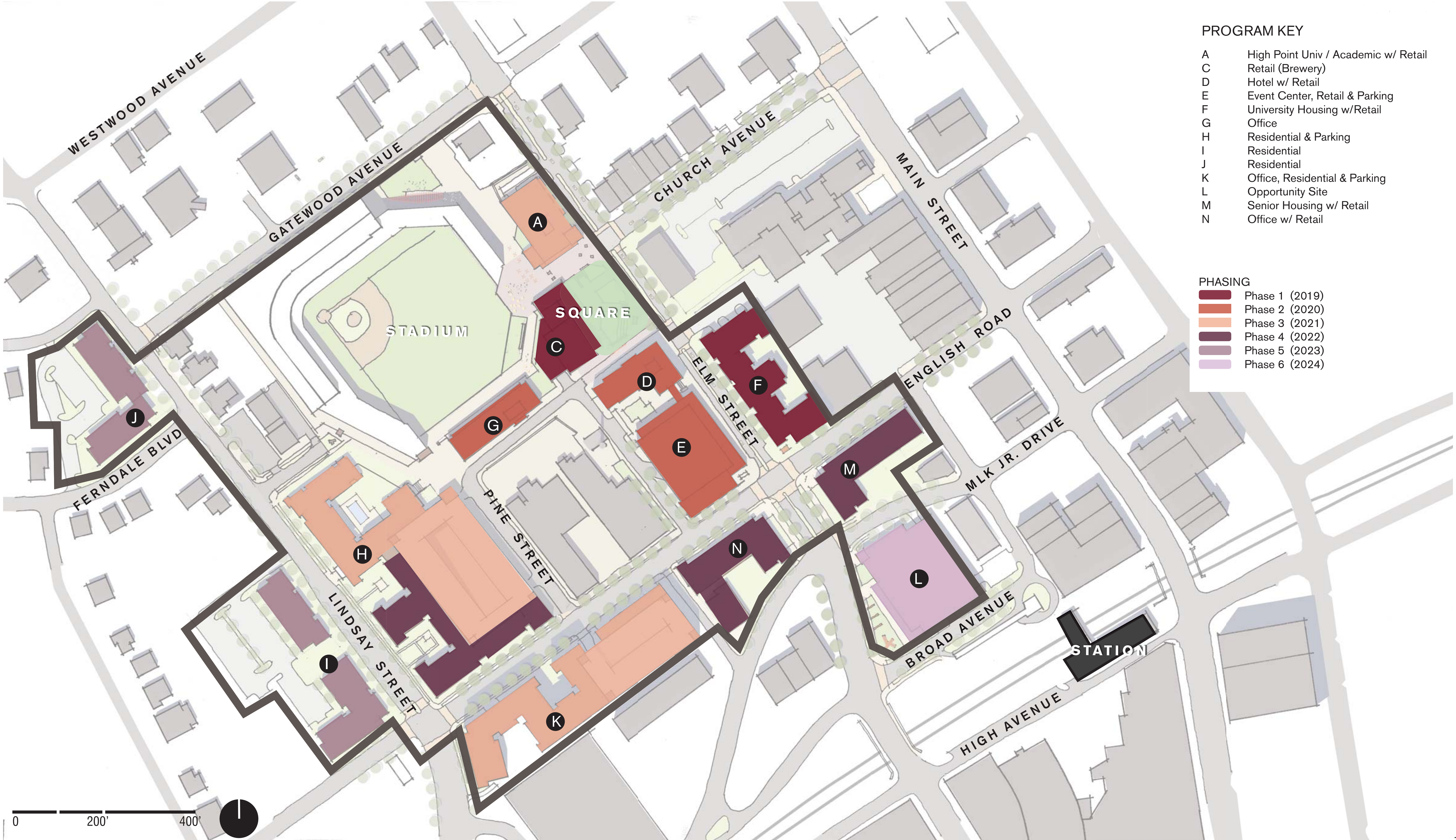
PHASING PLAN SUMMARY



HIGH POINT STADIUM DEVELOPMENT

HIGH POINT, NC

SIDEWALK DEVELOPMENT

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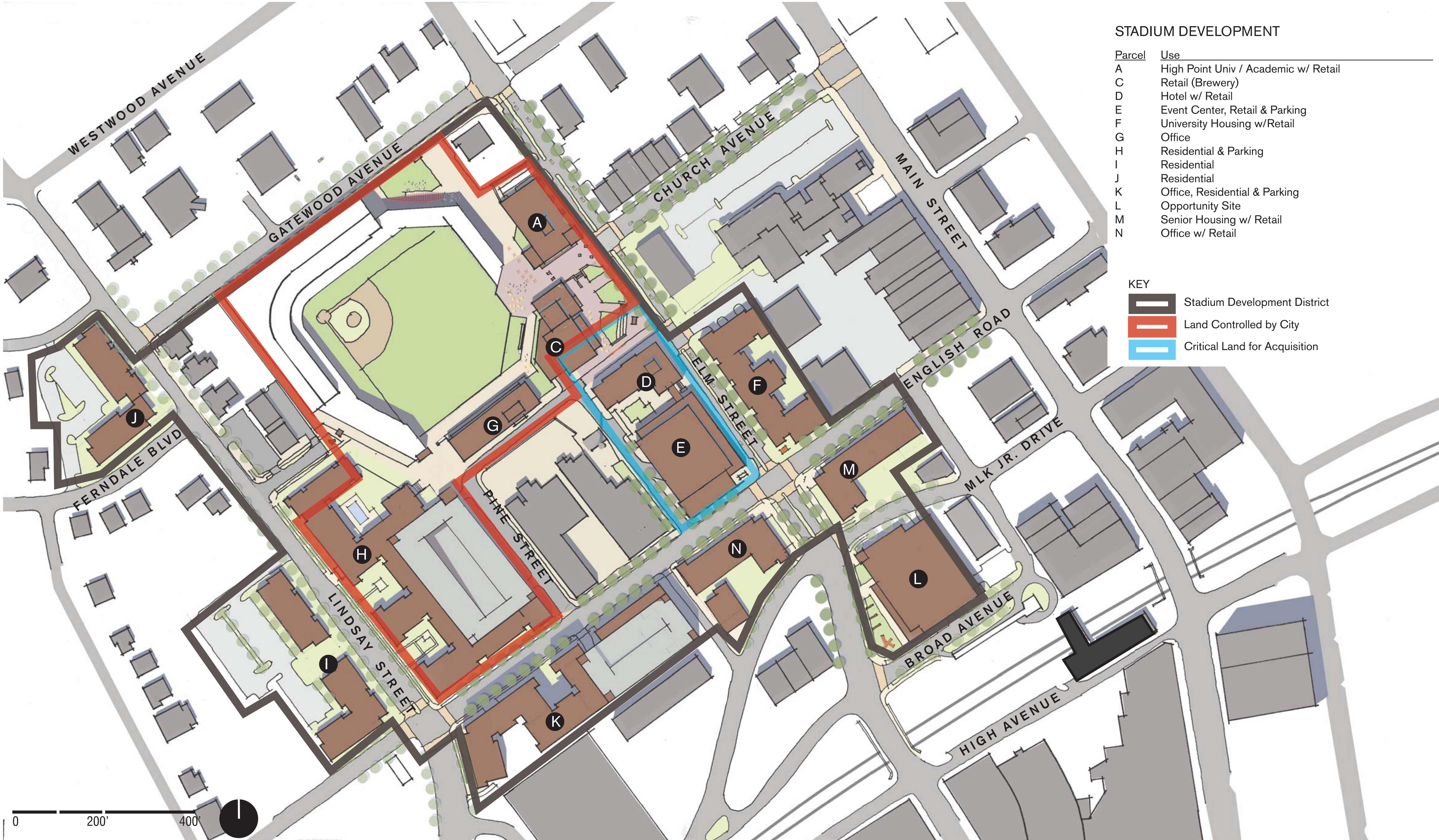
LAND CONTROL



HIGH POINT STADIUM DEVELOPMENT
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CITY OF HIGH POINT
AGENDA ITEM

Title: Budget Amendment for two Crime Scene Technician Positions

From: Eric Olmedo, Budget Director

Public Hearing: N/A

Attachments: Budget ordinance

Meeting Date: November 19, 2017
Advertising Date: N/A
Advertised By: N/A

PURPOSE:
A Budget Amendment is needed to appropriate funds to add two Crime Scene Technician positions to the Police Department, as discussed and approved at the Monday, October 2nd City Manager's briefing session.

BACKGROUND:
At the City Manager's briefing held Monday, October 2nd, the Police Department presented a plan to add two additional Crime Scene Technician positions to supplement the current Crime Scene unit. Council approved the addition of these positions. This amendment will fund first year salary and associated costs for the additional positions.

BUDGET IMPACT:
The funding will be appropriated from available fund balance. The original proposal included a total cost of $170,496. Since the positions will not be filled until at least January, the first year salary cost will be $120,000. This includes $55,000 for salary and benefits, $25,000 for equipment and training, and $40,000 for a mobile crime lab vehicle.

RECOMMENDATION / ACTION REQUESTED:
The Budget Department recommends and asks the Council to approve the budget amendment.

OF THE CITY OF HIGH POINT, NORTH CAROLINA
TO APPROPRIATE FUNDS FOR TWO CRIME SCENE TECHNICIAN POSITIONS

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The City of High Point Police Department has demonstrated a need to add two Crime Scene Technician positions.

Section 2. The 2017-2018 Budget Ordinance of the City of High Point, should be amended as follows:

(A) That the General Fund of the City of High Point, is hereby amended as follows:

Appropriated Fund Balance	$ 120,000

(B) That the General Fund expenditures be amended as follows:

Police Expenditures	$120,000

Section 3. That all ordinances, or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. That this ordinance shall be effective from and after its passage."

Adopted November 19, 2017

INITIAL DEVELOPMENT AGREEMENT

THIS INITIAL DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of the _____ day of October, 2017 (the "Effective Date"), by and between the **CITY OF HIGH POINT,** a municipal corporation organized and existing under the laws of the State of North Carolina, with a mailing address of 211 South Hamilton, High Point, North Carolina 27261 (the "City"); **FORWARD HIGH POINT INC.,** a non-profit organization, with a mailing address of 164 South Main Street, Suite 606, High Point, North Carolina 27260 ("FHP"); and **ELLIOTT SIDEWALK COMMUNITIES HIGH POINT LLC,** a North Carolina limited liability company, with a mailing address of 14545 Manor Road, Phoenix, Maryland 21131 ("ESC") (each individually, a "Party", and collectively, the "Parties").

RECITALS

WHEREAS, the City and FHP have worked together in order to orchestrate and support the development of several mixed use real estate developments on various sites in underutilized areas in Downtown High Point, to be known collectively as the "Downtown High Point Project"; and

WHEREAS, the City and FHP have identified multiple available real estate development opportunities, properties and buildings which could be included in the development of the Downtown High Point Project as generally outlined on the Concept Development Plan, General Land Use Plan, and Elm Street Connection Map attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the City and FHP have identified potential economic development initiatives including a business recruitment strategy, a university-affiliated active adult community, residential, office and retail developments and new infrastructure which could be incorporated into the Downtown High Point Project; and

WHEREAS, the City has endorsed the Downtown High Point Project development strategy, is the owner of significant sites and buildings which are in the area designated for the development and has put in place redevelopment and financing plans to support the Downtown High Point Project development; and

WHEREAS, FHP has a contractual interest in land in the area of the Downtown High Point Project and is currently engaged in environmental assessment and remediation activities intended to ready this land for redevelopment and other work to assemble real properties and to assist in the development of the Downtown High Point Project; and

WHEREAS, FHP issued a Request for Qualifications and Interest for the purpose of identifying and selecting a development team to design, develop and execute real estate development strategies focused on the Downtown High Point Project; and

WHEREAS, the City and FHP have determined that working with a master developer is the best course of action to achieve the goals and desired results stated in the Downtown High Point Project Park vision; and

WHEREAS, the City and FHP have agreed that it is in their mutual interests to negotiate a Master Development Agreement with ESC that, when executed, would designate ESC as the Master Developer for the Downtown High Point Project; and

WHEREAS, the City, FHP, and ESC have entered into an Incentives Agreement contemporaneously with this Agreement for the purpose of creating a binding agreement concerning the development of the parcels and sale of land upon completion of construction of the Downtown High Point Project (the "Incentives Agreement"); and

WHEREAS, this Agreement sets forth the rights and liabilities of the Parties with respect to the initial development stage of the Downtown High Point Project so as to legally bind both the Parties. This Agreement shall be carried out in conjunction with future agreements between the Parties necessary to complete the Downtown High Point Project, including (without limitation), a Master Development Agreement, Phase Redevelopment Agreements (as necessary) and Land Disposition Agreements (collectively, the "Development Agreements").

NOW, THEREFORE, in consideration of the foregoing Recitals, the Parties hereby agree as follows:

TERMS AND CONDITIONS

1. **Binding Agreement**

(a) Binding Agreement. This Agreement constitutes a binding contract between the City, FHP, and ESC. The benefits and obligations set forth in this Agreement shall pass to any Party's successor or assigns.

(b) Good Faith. The Parties shall proceed in good faith to complete draft Development Agreements for consideration by all Parties on or before December 1, 2017.

2. **Term**

(a) Effective Date. This Agreement shall take effect as of the Effective Date and continue to the end of the three (3) year period following the Effective Date (the "Expiration Date").

(b) Extension. Prior to the Expiration Date the parties may elect to extend the Agreement pursuant to the terms herein or upon such other terms and conditions as may be mutually agreed upon by the Parties and set forth in writing.

3. **Termination of Agreement**

(a) As of Effective Date. This Agreement shall automatically terminate upon the Expiration Date, as may be amended, and be null and void and of no further force and effect without the need for notice of termination.

(b) Development Must Be Economically Viable. ESC or the City may terminate this Agreement by written notice if either concludes, in its sole discretion, the development is not economically viable.

(c) Advancement of Project. In the event that the City reasonably determines that ESC is failing to move the project forward in accordance with the provisions herein, and ESC fails to cure such deficiencies, upon written notice from City setting forth the remedial actions required of ESC to rectify such failure within sixty (60) days or such longer reasonable time as may be required to cure such deficiencies, then the City may terminate this Agreement upon delivery of an additional written notice to ESC, whereupon this Agreement shall be null and void and of no further force and effect.

(d) Suspension by the City for Convenience. The City may, without cause, order FHP or ESC to suspend, delay, or interrupt the work to be completed under Section 5(e) in whole or in part for such period of time as the City may determine ("Suspension").

(i) Upon receipt of written notice from the City of such Suspension for the City's convenience, FHP and ESC shall:

(1) cease operations and cause all operations to be ceased within three (3) business days of notice of Suspension as directed by the City

(the third business day after the City provides notice of Suspension shall be the date of "Termination");

(2) take actions necessary, or that the City may direct, for the protection and preservation of ESC's work product and any work product commissioned from third party contractors concerning the Downtown High Point Project to the extent that it is completed;

(3) except for work in progress that is reasonably directed to be completed in the notice of Suspension, terminate all existing Downtown High Point Project agreements by the date of Termination, including the Incentives Agreement, and enter into no further Downtown High Point Project agreements.

(ii) ESC shall be entitled to receive incentive compensation pursuant to the Incentive Agreement for improvements made to the Downtown High Point Project that are subject to completion but not complete by the date of Termination.

(iii) In the case of such Suspension for the City's convenience, FHP and ESC shall be entitled to receive payment for work required under Section 5(e) that has already been performed and work product completed as of the date of Termination, and costs incurred by reason of such Suspension, along with reasonable overhead and profit on the Downtown High Point Project work detailed in Section 5(e) not executed.

4. Properties

(a) Properties. The Downtown High Point Project, as currently envisioned, encompasses multiple parcels of land owned by various entities, portions of which are non-contiguous (the "Properties"). The Parties acknowledge that certain rights and obligations shall exist for certain property categories, which shall be defined as follows:

(i) Primary Properties - Parcels of land owned and controlled by the City and FHP that are located within the area known as the Baseball Stadium site, shown on Exhibit B attached hereto and incorporated herein, as outlined in red and designated "Land Controlled by City."

(ii) Secondary Properties - Parcels of land owned and controlled by the City and FHP that are located outside the Baseball Stadium site area, but are encompassed within the area designated for the Downtown High Point Project development, shown on Exhibit B attached hereto and incorporated herein, as outlined in brown and designated "Stadium Development District," excluding the Primary Properties outlined in red.

(iii) Ancillary Properties - Parcels of land owned and controlled by the City, FHP and other private entities that are encompassed within the area designated for the Downtown High Point Project development or complementary to the Primary and Secondary Properties.

(b) Segmentation. The Downtown High Point Project development will be segmented and completed in several phases over time, to be further defined in the Development Agreements.

(c) Exclusion for Development and Construction. The proposed Stadium, Children's Museum and Event Center (collectively, the "Excluded Properties") are included under this Agreement for all master planning purposes, such as location, sizing, exterior appearance, etc., but are to be developed and constructed by third Parties and are excluded from the provisions of this Agreement as to development and construction.

5. **ESC Rights and Obligations**

(a) Exclusive Properties. ESC shall have the exclusive right to develop the Primary and Secondary Properties (collectively, the "Exclusive Properties") subject to and pursuant to the provisions of the Development Agreements as may be approved in the future.

(b) Parcel Sales. The Development Agreements shall provide that the Exclusive Properties (or such portion thereof as may comprise a segment of a development phase) shall be conveyed by the City or FHP to ESC by way of marketable, fee simple title at fair market value. The Development Agreements shall establish predetermined parcel sale prices, or a mechanism for calculating such parcel sale prices.

(c) Master Plan. ESC shall work with the City and FHP to establish a conceptual master plan for Downtown High Point Project that is compatible with the goals of the Parties to this Agreement for the Downtown High Point Project (the "Master Plan"). The Master Plan will identify proposed transit alignments, building envelopes, uses, setbacks, building heights, densities, architectural guidelines, site access, parking, infrastructure requirements and other elements deemed necessary by the Parties. It is understood by the Parties that the Master Plan may initially focus on the Primary Properties for the initial phases, while reasonably taking into account the opportunities for development of the Secondary and Ancillary Properties and future phases. Regarding the Secondary and Ancillary Properties, ESC shall:

(i) Advise private property owners in the area of the Downtown High Point Project regarding how their properties can support the development of the Downtown High Point Project.

(ii) Advise FHP regarding how property it owns or controls in the area of the Downtown High Point Project can support the development of the Downtown High Point Project.

(d) Preliminary Due Diligence. During the term of the Agreement, ESC shall complete all preliminary due diligence tasks required to analyze the market, conceptualize the development program, identify potential impediments, and determine the financial feasibility of Downtown High Point Project (the "Preliminary Tasks"). The conclusions drawn from the Preliminary Tasks shall influence the Master Plan and the structure of the Development Agreements.

(e) Initial Work to Be Completed. ESC shall complete the initial work on the Downtown High Point Project according to the timeline and corresponding budget as set forth in Exhibit C hereto.

(f) Reports and Recommendations. Following the completion of the Preliminary Tasks (Exhibit C) and the creation of a draft Master Plan, ESC shall present reports and recommendations to the City, FHP, The Baseball Team ownership entity, and key institutions of the Downtown area and seek approvals of the Master Plan from the City. Following the approval of the Master Plan, ESC shall begin the creation and negotiation of the Development Agreements with the City.

6. City Rights and Obligations

(a) Exclusive Master Development Agreement. For so long as this Agreement remains in full force and effect, the City shall not enter into negotiations or any other discussions with Parties other than ESC or its affiliated entities concerning the creation of a Master Development Agreement for the Downtown High Point Project. The City may, however, with the express written approval of ESC, enter into discussions with prospective Downtown High Point Project occupants and potential local development partners.

(b) Exclusive Disposition of Property. For so long as this Agreement remains in full force and effect, and excepting any property that is included in the Excluded Properties, the City shall not to enter into negotiations or any other discussions concerning the disposition of any Primary Property or Secondary Property owned by the City of High Point, as herein defined, with any party other than ESC or its affiliated entities without the written consent of ESC.

(c) Compliance of Master Plan. The City agrees to work in good faith with ESC to either:

(i) Ensure that the Master Plan is compliant with the local planning and zoning regulations; or

(ii) Establish a planned unit development (PUD), overlay district, development agreement or similar legislative mechanism to allow for development of the Master Plan.

(d) Coordinating Approvals. The City shall make good faith efforts to assist ESC in seeking approvals described under Section 5(f) herein by coordinating with these entities when practicable to streamline the approvals process.

(e) Facilitating Necessary Subsidies. The City shall work with ESC to consider all potential public funding sources and other available subsidy instruments including (without limitation) public grants, tax credits, PILOTs, Municipal Service District taxing authority, other public financing mechanisms, and public ownership, should ESC conclude pursuant to due diligence required under Section 5(d) herein that the feasibility of some or all phases of development may require public subsidies. To the extent that ESC elects to pursue subsidies from public or quasi-public agencies beyond the municipal level, the City shall reasonably sponsor or facilitate the pursuit of such subsidies in conjunction with ESC, or on behalf of Downtown High Point Project.

(f) Payment of Fees. The City shall pay fees owed to ESC according to Section 8 herein.

7. FHP Rights and Obligations

(a) Exclusive Disposition of Property. For so long as this Agreement remains in full force and effect, and excepting any property that is included in the Excluded Properties, FHP shall not enter into negotiations or any other discussions concerning the disposition of any Primary Property or Secondary Property owned or controlled by FHP, as herein defined, with any party other than ESC or its affiliated entities without the written consent of ESC.

(i) FHP shall support ESC in the creation and implementation of business and job recruitment strategies to support real estate investments in the Downtown High Point Project.

(ii) FHP shall support and assist the City, ESC, and the Baseball Team ownership entity as requested.

8. Initial Work Fees

(a) ESC has prepared a budget and tasks schedule ("Budget") for the initial work by ESC on the Downtown High Point Project as set forth on Exhibit C hereto. The City shall pay fees to ESC, except compensation as described in the Incentives Agreement, monthly in the amount set forth in the Budget for each month commencing on September 1, 2017 (month 1 on Exhibit C refers to September 2017), and such fees shall include the reimbursement of costs set forth in the Budget incurred during the period from August 1, 2017, to the Effective Date. The total fees payable to ESC shall be allocated to land parcels, as an addition to the sales price, so that the City and/or FHP shall recoup the fees payable to ESC upon the sale of parcels of land in the Downtown High Point Project.

9. Publicity and Communication

(a) FHP shall work with ESC in the creation of the Master Plan and to facilitate communications among all the Parties to this agreement. FHP and ESC shall meet at least monthly during the term of this Agreement, and along with ESC, shall provide progress reports to the City on a regular basis.

10. Development Agreements

(a) At the conclusion of this Agreement, ESC and the City shall negotiate in good faith the Development Agreements. The Development Agreements will consist principally of a Master Development Agreement with supplementary agreements including (without limitation) Phase Development Agreements and Land Disposition Agreements as described below:

(i) Master Development Agreement - Establishes the rights and obligations of the Parties with respect to the overall Downtown High Point Project Development.

(ii) Phase Development Agreements - Establishes the rights and obligations with respect to individual components of the Master Plan. The Phase Developments as planned are attached as Exhibit D hereto and incorporated herein.

(iii) Land Disposition Agreements - Establishes the terms and schedule pursuant to which certain land will be conveyed by the City to ESC.

11. Access and Inspections

(a) The City and FHP shall ensure that ESC and its designees and consultants are able to obtain reasonable access to their respective properties to perform such testing and inspections as deemed necessary by ESC. ESC shall provide its employees, designees and consultants with the appropriate safety equipment for accessing the property, and that ESC shall cause its contractors to observe all applicable workplace rules and regulations. ESC shall cause its designees and consultants to carry appropriate insurance for their anticipated activities on the City and FHP Properties. ESC shall coordinate such site access with the City and FHP and carry out such activities in a manner that minimizes disruption.

(i) To the extent that ESC and its designees and consultants require site access to Ancillary Properties, or other properties complementary to the Downtown High Point Project Master Plan, the City and FHP shall use their good faith efforts to assist ESC in gaining site access.

12. Public Engagement

(a) Periodic Meetings with Public. ESC shall host periodic meetings with the City and FHP in High Point on a mutually agreed-upon schedule to engage local stakeholders, public officials, and quasi- public officials to gather input and provide updates related to the progress of Downtown High Point Project.

(b) Periodic Meetings with City Council. ESC shall schedule meetings on an approximately bimonthly basis with the City Council in High Point to gather input, feedback, and provide updates related to the progress of Downtown High Point Project.

13. Transferability

(a) ESC may assign its rights and obligations hereunder to an entity affiliated with ESC with the written consent of the City; the City shall not unreasonably withhold such consent.

14. Amendments

(a) This Agreement may be modified only by written amendment executed by the Parties.

15. Authority to Bind

(a) By signing below, the signatory warrants to having authority to bind the Party to this Agreement.

16. Headings

(a) The headings of the sections and subsections of this Agreement are for the convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof or thereof.

17. Notices

(a) Any notices required hereunder shall be sent by hand delivery, by overnight courier service for next day delivery, by electronic mail, or by certified mail, return receipt requested as follows:

If to the City:
City Manager
211 South Hamilton Street
High Point, North Carolina 27260

With a copy to:
City Attorney
211 South Hamilton Street
High Point, North Carolina 27260

If to FHP:
Executive Director
164 South Main Street, Suite 606
High Point, North Carolina 27260

With a copy to:
Doyle Early
Wyatt Early
Harris & Wheeler, LLP
1912 Eastchester Drive
High Point, North Carolina 27265

If to ESC:
Mr. Tim Elliott
14545 Manor Road
Phoenix, Maryland 21131

With a copy to:
James R. Deveney, II
1122 Kenilworth Drive, Suite 418
Towson, Maryland 21204

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement as of the ___ of October, 2017.

City of High Point

By: ______________________

This instrument preaudited in accordance with the Local Government Budget and Fiscal Control Act.

______________________ 11/3/2017

Forward High Point Inc.

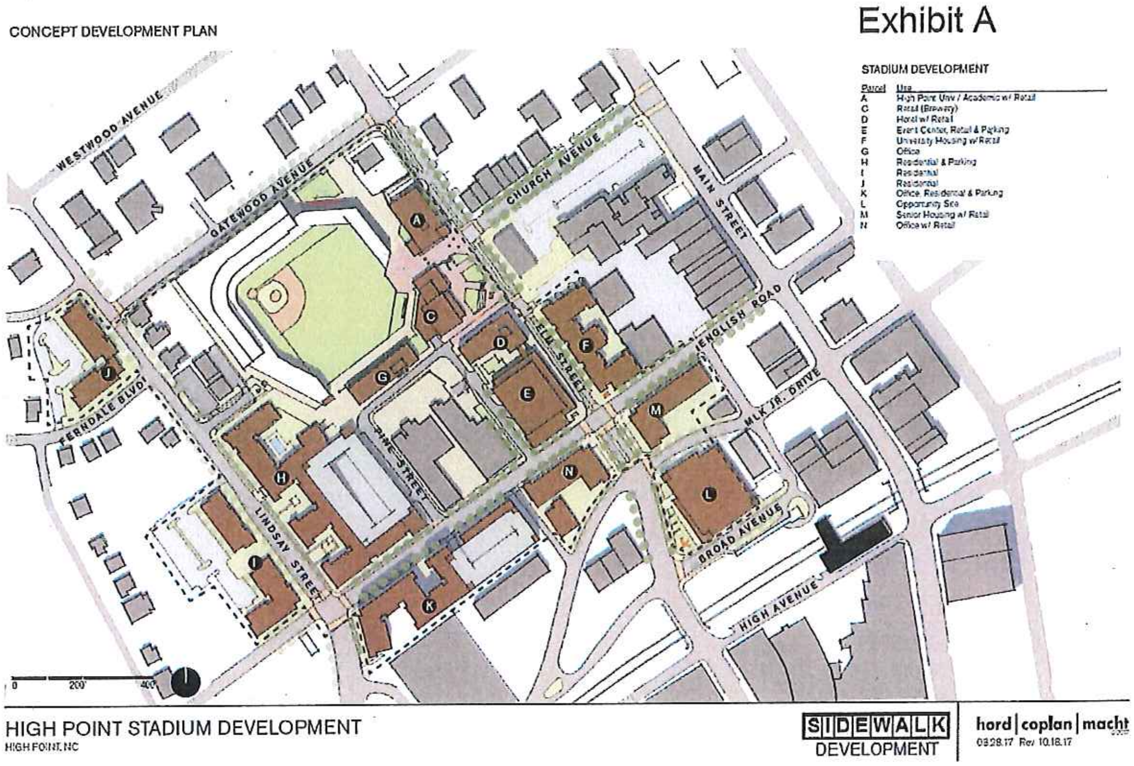
By: ______________________

Elliott Sidewalk Communities High Point LLC

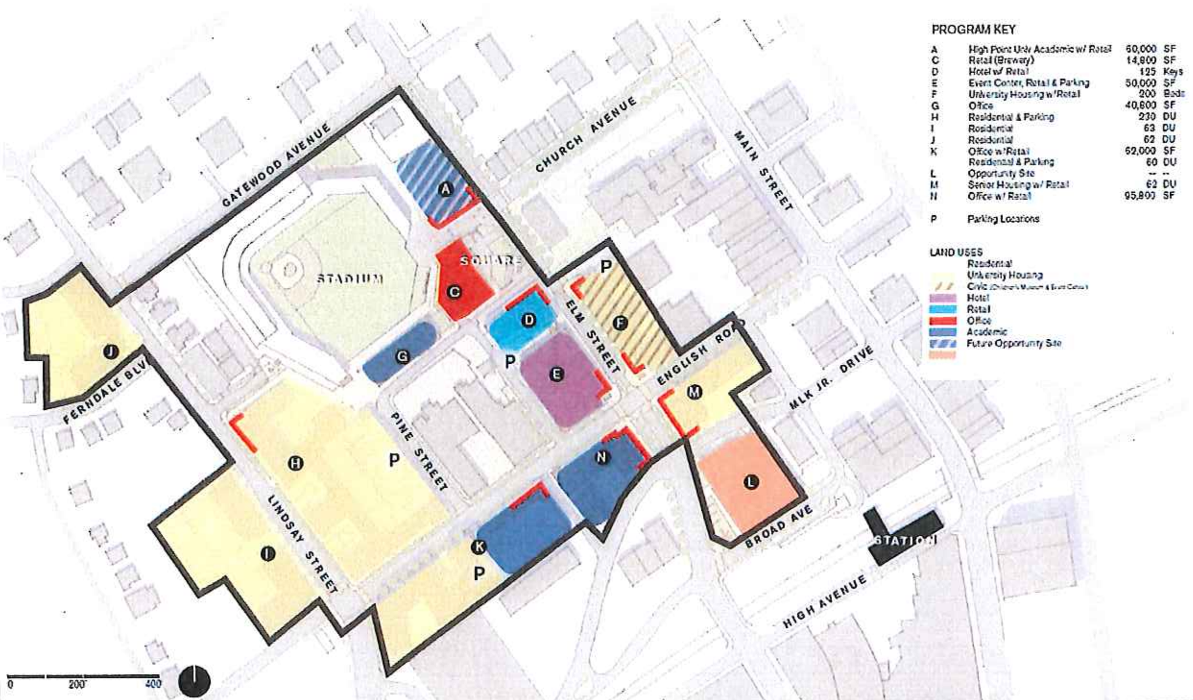
By: ______________________

PPAB 3904265v6

Exhibit A
Concept Development Plan



GENERAL LAND USE PLAN



HIGH POINT STADIUM DEVELOPMENT
HIGH POINT, NC

SIDEWALK DEVELOPMENT

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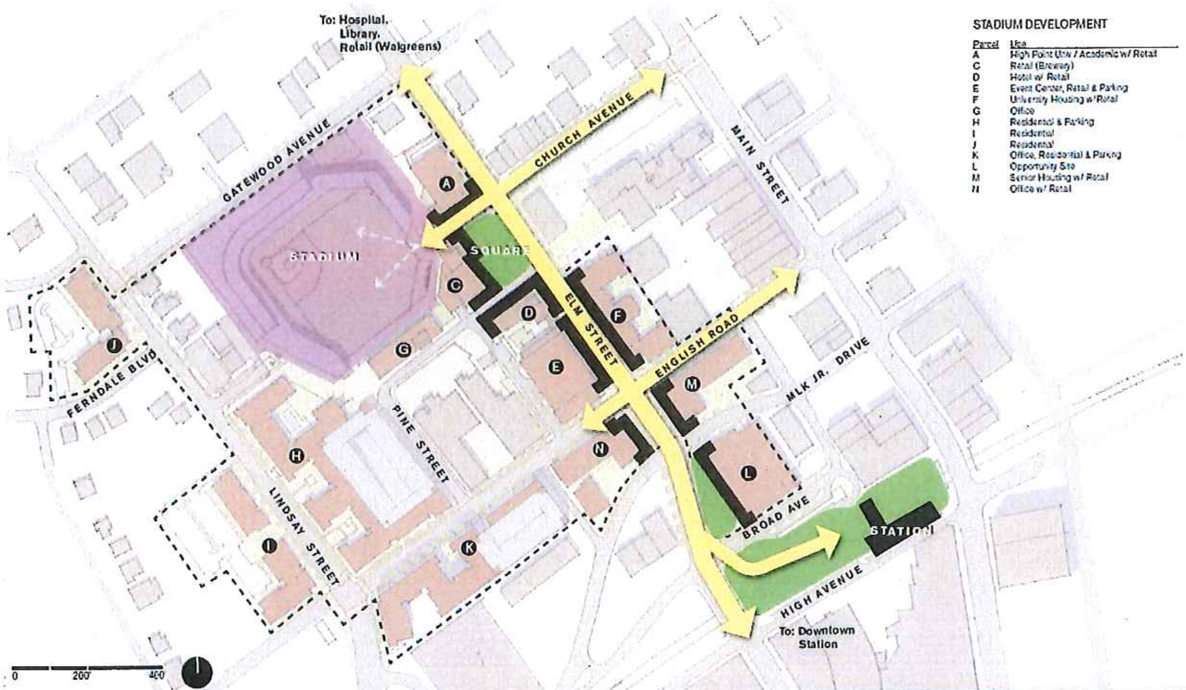
ELM STREET CONNECTION



STADIUM DEVELOPMENT

Parcel	Use
A	High Point Univ / Academic w/ Retail
C	Retail (Brewery)
D	Hotel w/ Retail
E	Event Center, Retail & Parking
F	University Housing w/ Retail
G	Office
H	Residential & Parking
I	Residential
J	Residential
K	Office, Residential & Parking
L	Opportunity Site
M	Senior Housing w/ Retail
N	Office w/ Retail

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Exhibit B
Primary and Secondary Properties

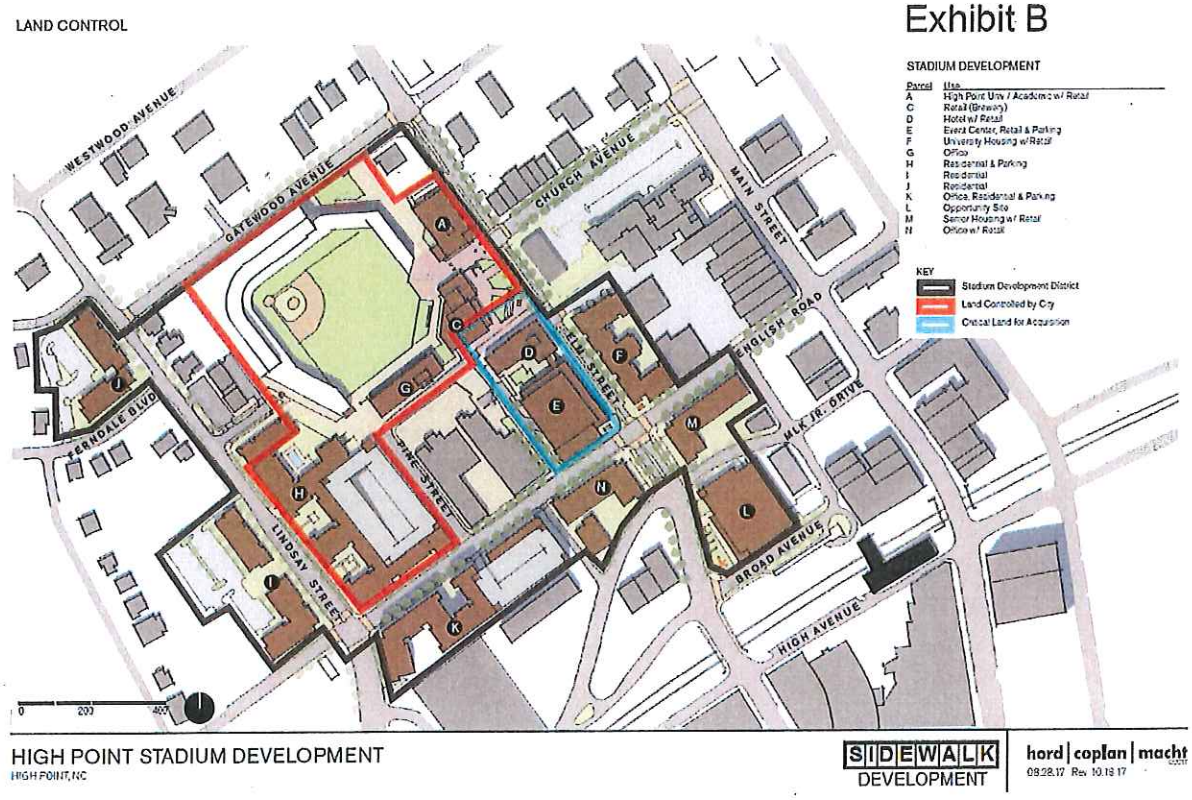

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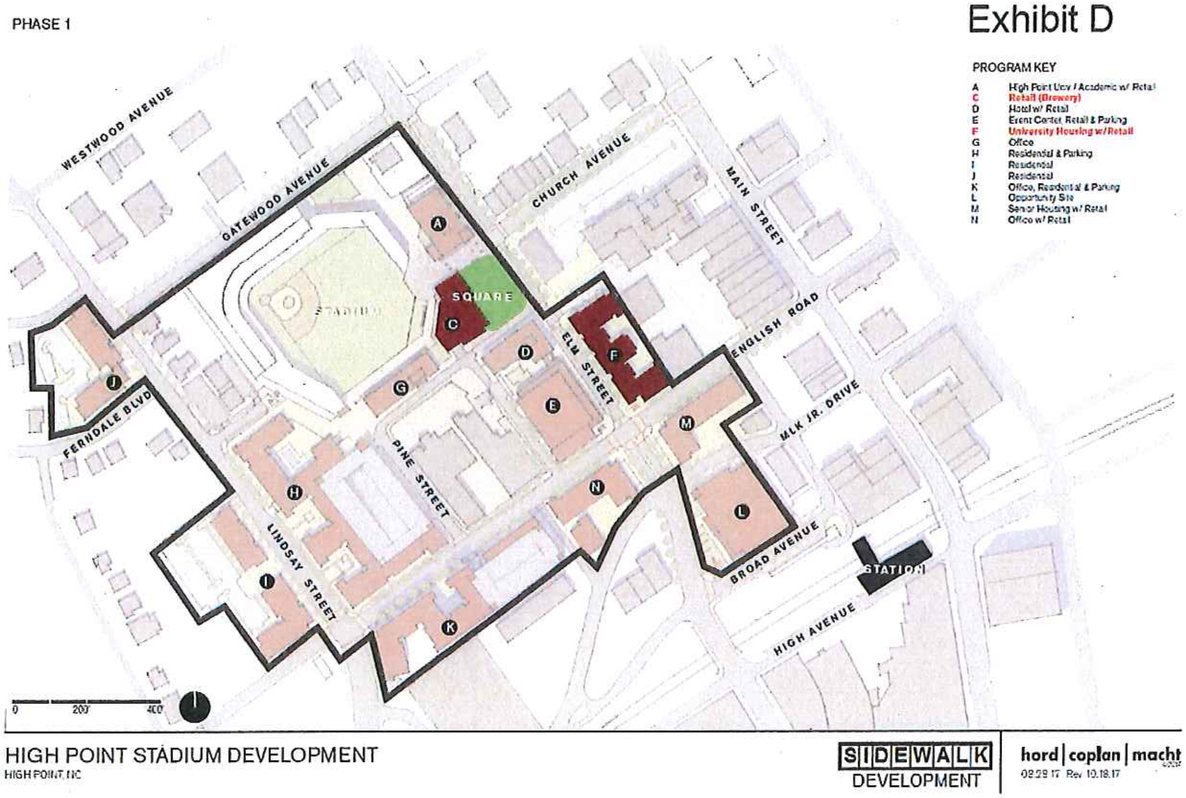
Exhibit C

Master Development Agreement and Execution												
	Total Project	**Month 1**	**Month 2**	**Month 3**	**Month 4**	**Month 5**	**Month 6**	**Month 7**	**Month 8**	**Month 9**	**Month 10**	**Total**
G&A	**Project Executive**											$0.00
	Assistant Project Manager											$0.00
Consultants	**Master Planning/ Landscape Architecture**		$10,000.00	$10,000.00	$15,000.00	$15,000.00						$50,000.00
	Sidewalk Planning Dir											$0.00
Pre-development	**Legal**	$25,000.00	$20,000.00	$10,000.00	$10,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$95,000.00
	PUD	$10,000.00	$10,000.00									$20,000.00
	Travel	$3,000.00	$3,000.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,000.00	$2,000.00	$2,000.00	$24,500.00
	High Point Office											$0.00
	Engineering	$15,000.00	$30,000.00	$30,000.00	$15,000.00	$10,000.00			$15,000.00	$20,000.00		$135,000.00
	Site Demo Plan		$5,000.00	$5,000.00	$5,000.00							$15,000.00
	Marketing (Web/PR, etc.)		$10,000.00	$10,000.00	$5,000.00	$5,000.00	$5,000.00			$10,000.00	$5,000.00	$50,000.00
	Architectural Rendering		$10,000.00	$10,000.00	$10,000.00				$10,000.00			$40,000.00

Traffic Study			$10,000.00	$15,000.00							$25,000.00
Architectural Pattern Book		$15,000.00	$15,000.00	$15,000.00							$45,000.00
Signage Design/Criteria		$15,000.00	$15,000.00	$15,000.00							$45,000.00
Senior Living Study	$10,000.00										$10,000.00
Environmental											$0.00
Economic Impact Study		$10,000.00	$10,000.00								$20,000.00
Community Relations/ PR	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$25,000.00
Contingency											$0.00
TOTAL	$65,500.00	$140,500.00	$130,000.00	$110,000.00	$40,000.00	$15,000.00	$10,000.00	$34,500.00	$39,500.00	$14,500.00	$599,500.00

Exhibit D
Development Phases



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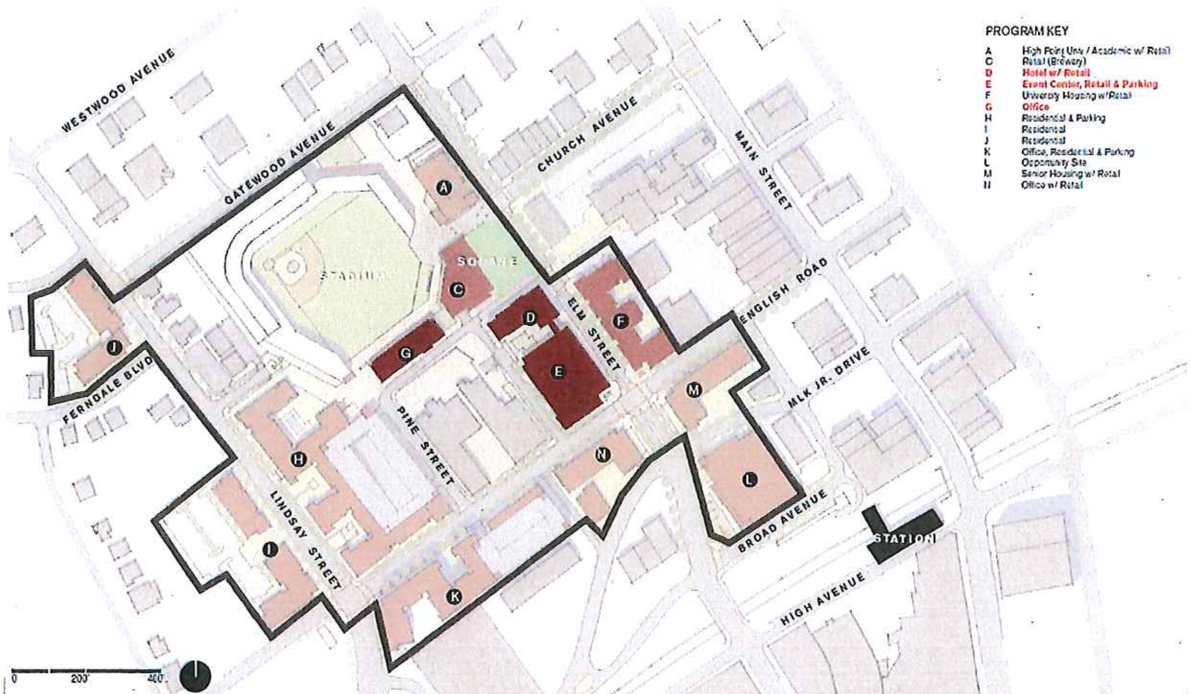
PHASE 2



HIGH POINT STADIUM DEVELOPMENT
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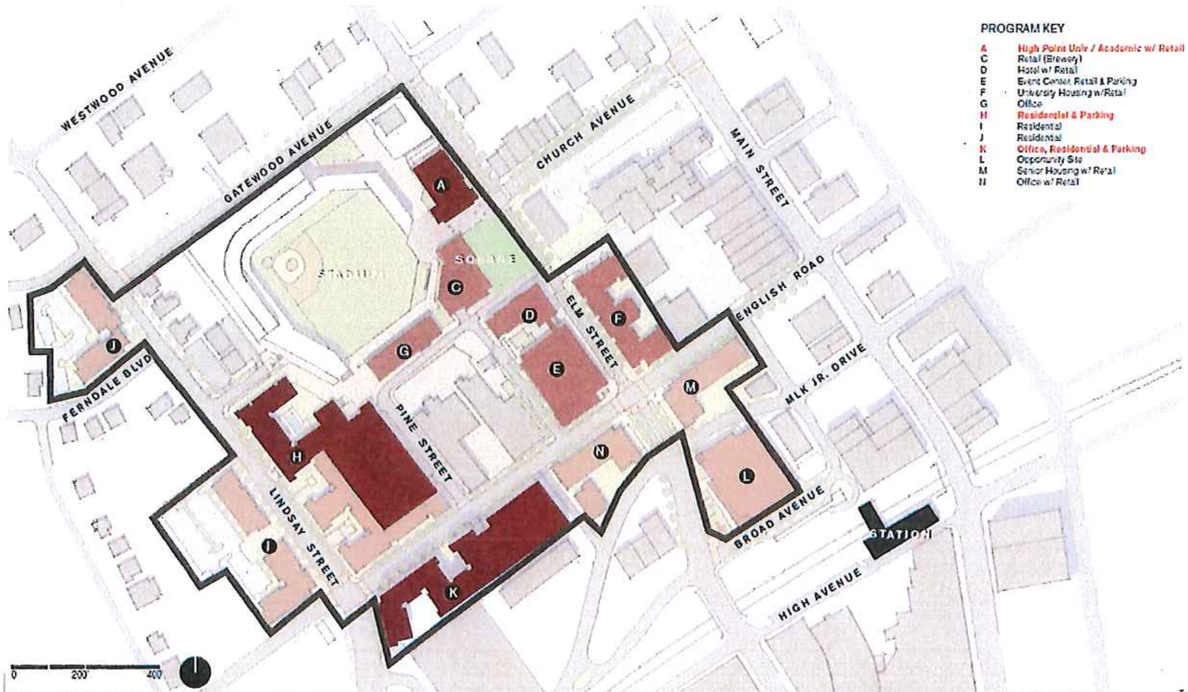
PHASE 3



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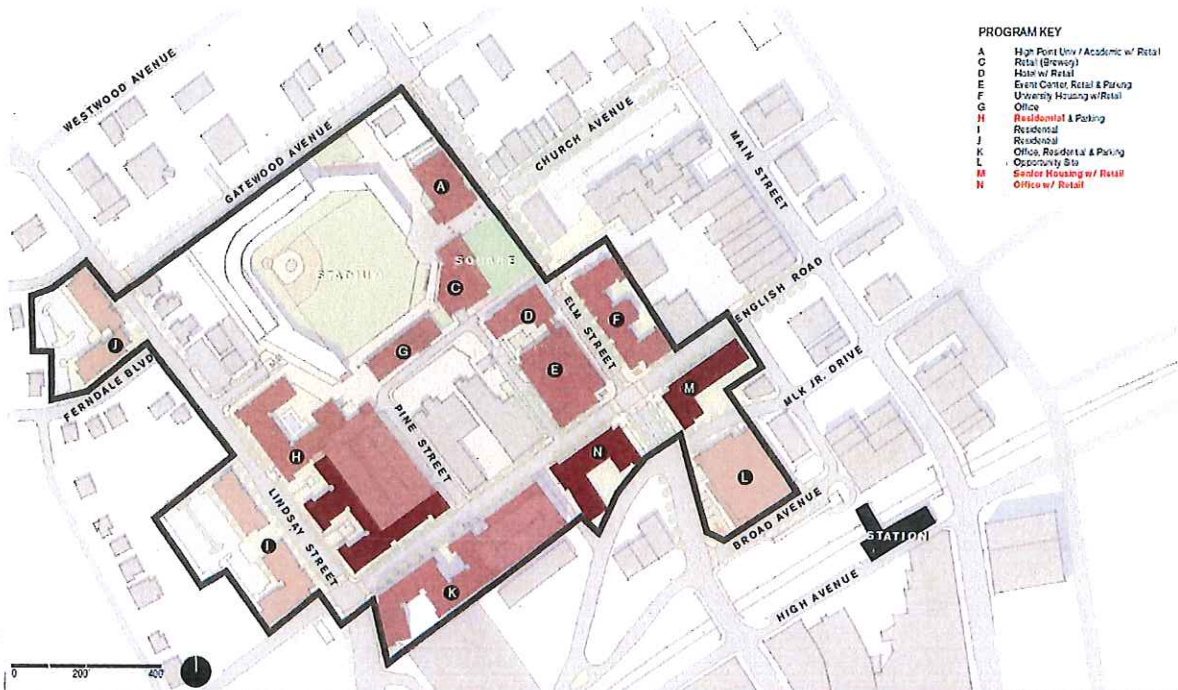
PHASE 4



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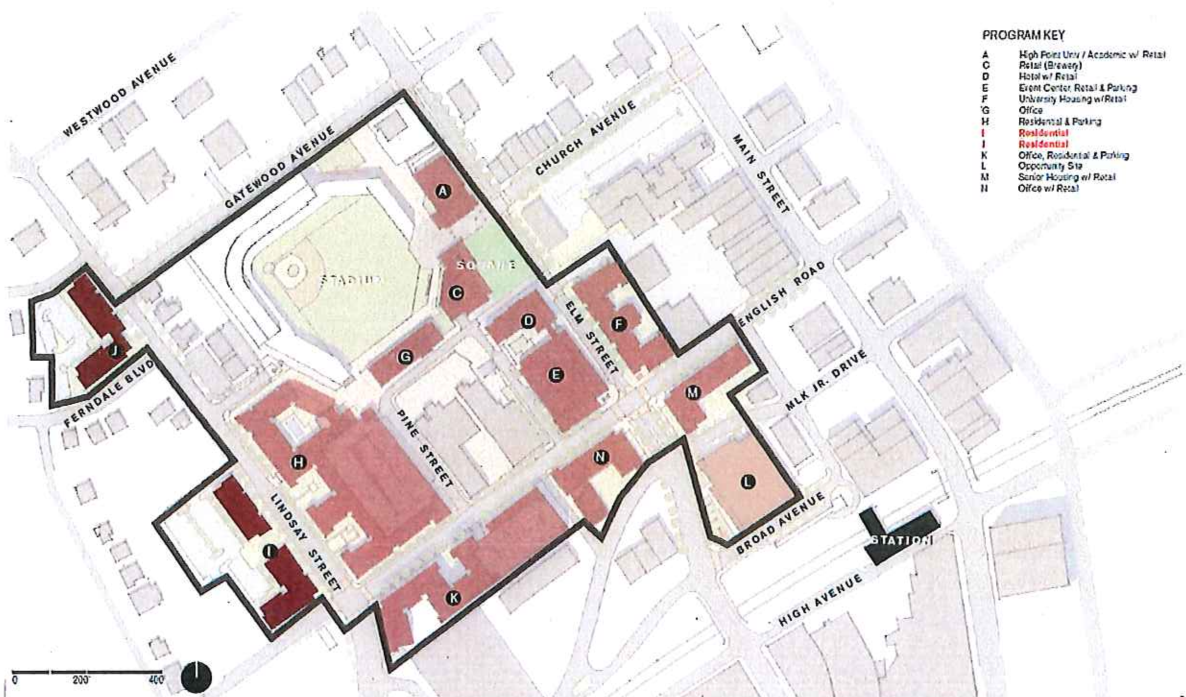
PHASE 5



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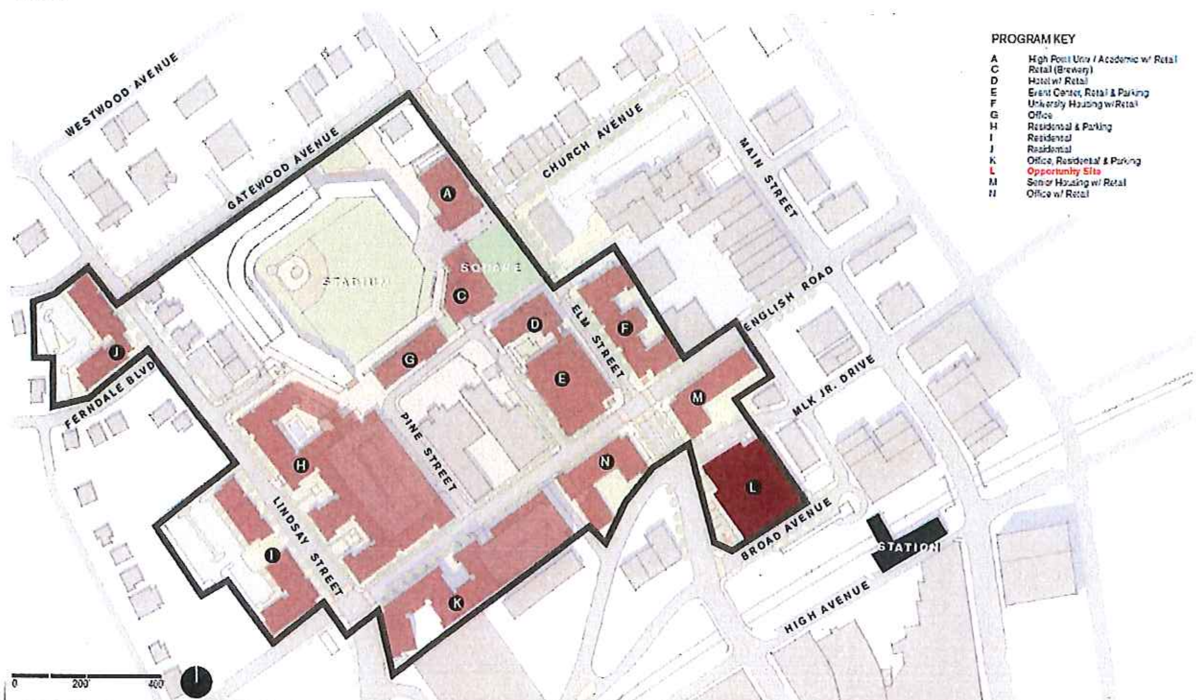
PHASE 6



HIGH POINT STADIUM DEVELOPMENT
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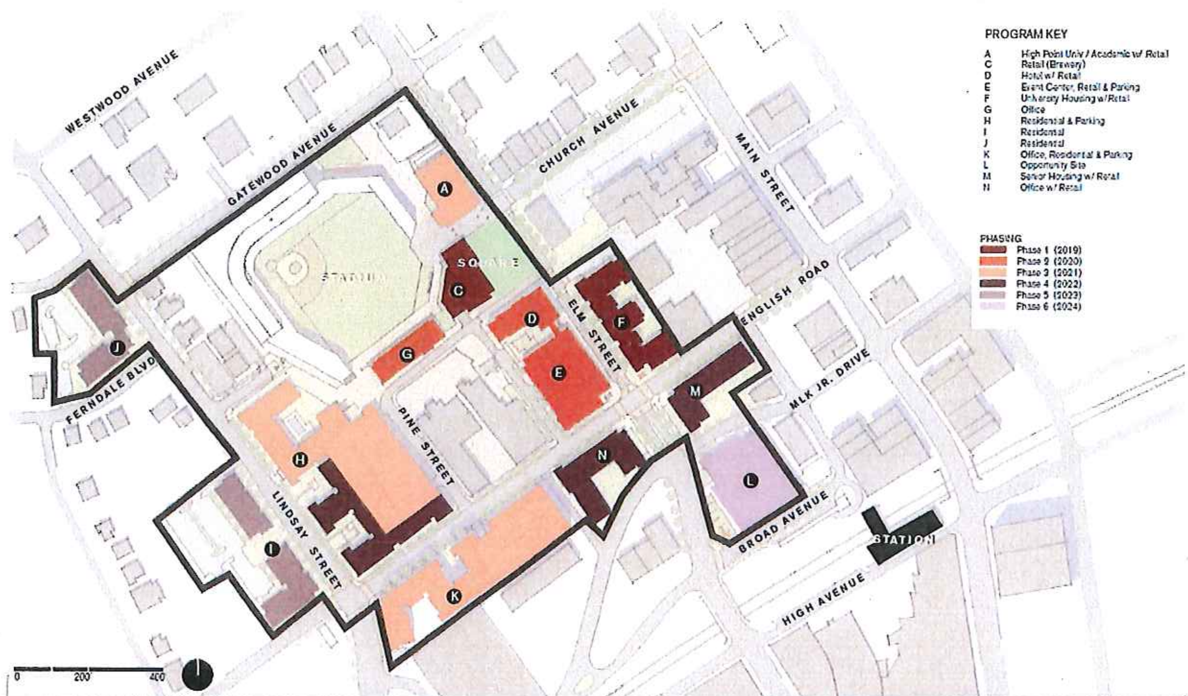
PHASING PLAN SUMMARY



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