

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO NEGOTIATE WITH OFFICIALS FROM THE CHATTANOOGA HOUSING AUTHORITY FOR THE PURPOSE OF PURCHASING THE HARRIET TUBMAN SITE, SUBJECT TO CITY COUNCIL APPROVAL.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, it is hereby authorizing the Mayor to negotiate with officials from the Chattanooga Housing Authority for the purpose of purchasing the Harriet Tubman Site, subject to City Council approval.

ADOPTED: _____, 2013.

/mms

City of Chattanooga



Resolution/Ordinance Request Form

Date Prepared: 8/2/2013

Preparer: Stacy Richardson

Brief Description of Purpose for Resolution/Ordinance: _____ Res./Ord. # _____ Council District # _____

To authorize the Mayor to submit a Letter of Intent to purchase the former Harriet Tubman Site for the purpose of economic development.

Name of Vendor/Contractor/Grant, etc. _____
Total project cost \$ 1,000,000
Total City of Chattanooga Portion \$ 1,000,000
City Amount Funded \$ _____
New City Funding Required \$ _____
City's Match Percentage % _____

New Contract/Project? (Yes or No) _____
Funds Budgeted? (YES or NO) _____
Provide Fund _____
Provide Cost Center _____
Proposed Funding Source if not budgeted _____
Grant Period (if applicable) _____

List all other funding sources and amount for each contributor.

<u>Amount(s)</u>	<u>Grantor(s)</u>
\$ _____	_____
\$ _____	_____
\$ _____	_____

Agency Grant Number _____

CFDA Number if known _____

Other comments: (Include contingency amount, contractor, and other information useful in preparing resolution)

Approved by: _____

Reviewed by: FINANCE OFFICE

DESIGNATED OFFICIAL/ADMINISTRATOR

Please submit completed form to @budget, City Attorney and City Finance Officer

Revised: 1/26/09

August 8, 2013

Chattanooga Housing Authority
801 North Holtzclaw Ave
Chattanooga, Tennessee
Attention: Betsy McCright
Executive Director

Subject: Harriet Tubman Property

Dear Ms.McCright:

The purpose of this letter of intent ("Letter of Intent") is to set forth an understanding between the City of Chattanooga (the "Buyer"), and the Chattanooga Housing Authority ("Seller") with respect to Buyer's desire to purchase from Seller certain real property described hereinbelow. Until a fully integrated, definitive agreement and other related documents have been prepared, authorized, executed and delivered by and between all parties (the "Purchase Agreement"), this Letter of Intent shall bind both parties to such an extent as stated herein unless terminated in compliance with Section 6 below.

1. Property Description. The property subject to this Letter of Intent is located at Roanoke Avenue. It consists of 36.5 acres and is commonly referred to as the Harriett Tubman Development. Together with the real property, Buyer is also purchasing all of Seller's rights, title and interest in all of the fixtures, improvements, leases, maps, reports, plans, and other such material is having to do with the property including all land use entitlements, governmental permits and allocations, and other such governmental and agency approvals as may exist concerning the property. The property is more specifically described on Exhibit A, attached hereto ("Property"). The Property shall be free and clear of rights of first refusal, other agreements and encumbrances of any kind.

2. Purchase Price; Funding. The Purchase Price of the Property shall be One Million and No/100 Dollars (\$1,000,000 USD) and the Buyer commits to demolish the dwellings located on the Property. The Purchase Agreement shall be contingent upon approval by the Chattanooga City Council.

3. Inspection Period. The Buyer shall have a period of up to forty-five (45) business days commencing on the day after the execution of this Letter of Intent (the "Inspection Period") to conduct an investigation of the Property including, but not limited to, any encumbrances, regulatory and environmental matters related to the Property. During the Investigation Period, Seller shall provide Buyer with the following: (i) all environmental audits and appraisals of the Property; (ii) all plats of any of the Property, including, without limitation, survey plats; and (iii) any permits, certificates, studies, evaluations and other documents related to the Property.

4. Transaction Costs. Buyer and Seller shall each pay the fees and expenses of their respective counsel and other consultants or advisors incurred in connection with this transaction.

5. Closing. The closing and execution of the Purchase Agreement shall take place not more than ____ days after the expiration of the Inspection Period.

6. Termination. This Letter of Intent may be terminated:

- (i) by mutual written consent of the Buyer and the Seller;
- (ii) if City Council fails to approve any expenditure exceeding the sum of \$9,990.00;

- (iii) upon written notice by any party to the other party if the Purchase Agreement has not been executed by _____;
- (iv) by either party when the other party is in default of this Letter of Intent; or
- (iv) at any time by Buyer if the Buyer shall determine in its sole discretion that the results of its due diligence investigation are not satisfactory in any respect.

7. Exclusivity. For a period of 45 days after this Letter of Intent is fully executed, the Buyer shall have a period of exclusivity, which period shall be extended through the Closing Date in the event the Purchase Agreement is executed. During such period, the Seller shall not, directly or indirectly, through any representative or otherwise, solicit or entertain offers from, negotiate with or in any manner encourage, discuss, accept or consider any proposal of any other person relating to the Property.

8. Non-binding. The parties acknowledge this letter is intended to be a non-binding expression of interest and a basis to proceed to a formal purchase agreement if the necessary approvals are obtained by the City of Chattanooga. Neither party may rely on this Letter of Intent as creating any legal obligation of any kind.

9. Governing Law. This Letter of Intent shall be governed by the laws of the State of Tennessee and shall not be extended or modified except by a written instrument executed by both parties.

10. Execution in Counterparts. This Letter of Intent may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing terms and conditions meet with your approval, the City requests that you so indicate by signing where indicated below and returning a counterpart to City.

The foregoing is hereby accepted this _____ day of _____, 2013.

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Name:
Title:

CHATTANOOGA HOUSING AUTHORITY

By: _____
Name:
Title:

EXHIBIT A

