



## Contract Approvals/Certificates

CONTRACT: 20200210 -ECONOMIC DEVELOPMENT AGREEMENT-PROJECT VELOCITY

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| LEVEL | Approver        | Date/Time Approved | Comments                               |
|-------|-----------------|--------------------|--|
| 1     | SUZANNE GIBBS   | 7/1/2020 1:38:42PM | Status change from: Pending to: Active |
| 2     | ASH SMITH       | 7/1/2020 4:19:08PM | Status change from: Pending to: Active |
| 3     | SUZANNE GIBBS   | 7/1/2020 4:27:54PM | Status change from: Pending to: Active |
| 4     | ASH SMITH       | 7/1/2020 4:30:50PM | Status change from: Pending to: Active |
| 5     | KELLEY CARLAN   | 7/2/2020 8:22:24AM |  |
| 6     | ASH SMITH       | 7/7/2020 3:11:03PM | Status change from: Pending to: Active |
| 7     | CRYSTAL CERTAIN | 7/7/2020 3:26:17PM |  |



ECONOMIC DEVELOPMENT AGREEMENT BETWEEN PROJECT VELOCITY  
AND THE CITY OF GASTONIA, NC

WHEREAS, Project Velocity and the City of Gastonia have been negotiating for several months on the commitment and details of a Use & Operating Agreement and an Exclusive Use Area Lease for the City's multi-purpose entertainment facility (Stadium) which is currently under construction, and

WHEREAS, Project Velocity has confirmed that it is negotiating currently to purchase a membership in the Atlantic League of Professional Baseball and locate a team in Gastonia, with a commitment to play all of its home games in the Stadium, and

WHEREAS, Project Velocity will commit to managing the Stadium on behalf of the City, and to bringing concerts, shows and other entertainment events and public and private uses to the Stadium, and

WHEREAS, the City desires that the Stadium be the catalyst for significant private investment and development in the FUSE District (as shown on Exhibit A attached hereto), thereby increasing the tax base of the City, bringing jobs to Gastonia, and generating sales tax revenues in the FUSE District, all of which is inside the corporate limits of the City of Gastonia, and

WHEREAS, the development of the Stadium, the activities within the Stadium, and the development of the Properties (defined herein) to be conveyed to the Project Velocity is strategically important to the City in that it will be the catalyst for additional private investment and development in the FUSE District, and

WHEREAS, NCGS 158-7.1 authorizes Economic Development Agreements between a private enterprise and a city, authorizes appropriations for economic development, and provides for required terms and procedures for adoption of Economic Development Agreements, and

WHEREAS, the Gastonia City Council advertised a public hearing on this Agreement in the Gaston Gazette on March 13, 2020, said date being at least ten (10) days before the scheduled public hearing, and held the public hearing required under NCGS 158-7.1 on March 24, 2020, which was continued to and concluded on April 7, 2020. At said hearing evidence and information supporting the Findings in this Agreement were presented.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises in this Agreement, and for other good and valuable consideration in the Use & Operating Agreement and the Exclusive Use Area Lease between the Parties, the sufficiency of which is acknowledged by the Parties, the Parties agree as follows:

1. PARTIES. The Parties to this Agreement are Project Velocity, as represented by NC Gas House Gang, LLC, a Wyoming limited liability company, and the City of Gastonia (City), a North Carolina municipality chartered by the General Assembly.
2. FINDINGS OF THE CITY. Based upon information and evidence supplied by City staff, Project Velocity, the Division of Employment Security of the NC Department of Commerce, and others, the City Council finds and determines that:

A. The conveyance of the Properties under this Agreement will increase the taxable property in the City by generating private investment in the Properties transferred to Project Velocity under Section 7, as well as by generating private investment and development on surrounding properties in the FUSE District. Private development has already been planned on surrounding land known as the Coca Cola site and the Trenton Mill site. Project Velocity has begun planning for development of the parcels transferred in this Agreement as mixed use development likely including commercial space, offices, and restaurant use.

B. The conveyance of properties under this Agreement will increase employment in the City by adding players and other staff of the baseball team (estimated to be forty persons), and service workers in the surrounding businesses (estimated to be 100 persons) developed in the FUSE District as a result of the occupancy and use of the Stadium by a professional baseball team.

C. The conveyance of properties under this Agreement will result in the private redevelopment of property and stimulate the economy of the area designated as the FUSE District and increase the business prospects of the City and promote business by spurring the private redevelopment of the properties in the FUSE District, and result in the creation of a substantial number of jobs in the City that pay at or above the median average wage in Gaston County.

D. The conveyance of the Properties under this Agreement will result in the private investment and redevelopment of properties acquired by the City pursuant to subsection (b) of NCGS 158-7.1 for the purpose of revitalization and economic development of the area designated as the FUSE District.

E. The value calculation for the Properties as shown on Exhibit C (attached to this Agreement) is true and accurate based upon information and belief, appraisals, estimated value of the cost of a membership in the Atlantic League of Professional Baseball, estimated cost to form, employ players, equip, train, market, and establish a professional baseball team, and estimated cumulative increased ad valorem tax revenues to the City.

F. The probable average hourly wage to be paid to workers by the businesses to be located at the Properties described on Exhibit B is nineteen dollars (\$19/hour).

G. The fair market value of the Properties, after considering the covenants and conditions attached to the conveyance, is estimated to be ten dollars (\$10) each, based on the calculations shown on Exhibit C to this Agreement.

H. The construction of the Stadium and the Agreement of Project Velocity to purchase a membership in the Atlantic League of Professional Baseball and to play all home games in the Stadium are critical elements of the plan to revitalize and redevelop the FUSE District and that the economic development incentives provided to Project Velocity in this Agreement are a material and necessary inducement for Project Velocity to purchase said membership in the Atlantic League of Professional Baseball, field a professional baseball team in Gastonia, and execute the Use & Operating Agreement.

I. The benefits accruing to the City as described above will outweigh the cost of the land conveyed to Project Velocity by the City, creating a net public benefit.

3. RESPONSIBILITIES OF PROJECT VELOCITY. Subject to the conditions precedent in Section 13.23 of the Use & Operating Agreement, Project Velocity agrees to:

A. Purchase a membership in the Atlantic League of Professional Baseball, field a team in that League, and contractually obligate that team to play all of its home games in the Stadium currently under construction by the City of Gastonia, execute the Use & Operating Agreement between the Parties, and make all required payments to the City and perform all other services and management functions agreed to in the Use & Operating Agreement between the Parties.

B. Execute the Exclusive Use Areas Lease between the Parties, occupy the space as leased to Project Velocity, and make all lease payments as agreed.

C. Develop or occupy the properties described on Exhibit B (the Properties) in accord with the provisions of Sections 5 and 7 of this Agreement, except as provided in Section 7.D.

D. Upon request of the City, provide information on completed development and planned development of the Properties sufficient for the City to determine compliance with this Agreement.

E. Employ at least forty (40) persons in service of an Atlantic League of Professional Baseball team playing all of its home games in the Stadium.

F. In the event of failure to reach the development requirements, or increased tax revenues required under Section 5, or the employment requirements under subsection E above, Project Velocity shall be in default, and shall re-convey the Properties to the City or pay the cash equivalent as described in Section 5. In the event of relocation of the baseball team out of Gastonia, or cessation of operations of the baseball team in Gastonia under the terms of the Use & Operating Agreement between the Parties prior to the expiration of the five (5) year recapture period for the value of the Properties, Project Velocity shall be in default and shall re-convey the Properties to the City or pay the cash equivalent as described in Section 5.

4. RESPONSIBILITIES OF CITY. The City agrees to:

A. Complete the construction of the Stadium as agreed between the Parties in the Use & Operating Agreement between the Parties.

B. Execute the Exclusive Use Areas Lease between the Parties and deliver possession of the leased premises upon substantial completion of the Stadium.

C. Convey the interests in real property described in Section 7 and Exhibit B of this Agreement to Project Velocity, or an assignee of Project Velocity, as authorized by NCGS 158-7.1 (d), subject to the restrictions and commitments in this Agreement and subject to Section 7.D. At the request of Project Velocity, City will undertake the required process to completely release the development pad described in Section 3 of Exhibit B from the deed of trust on PIN 301025 in accord with the provisions of the bond documents governing the financing of the improvements on PIN 301025. Project Velocity agrees not to make any such request until it is reasonably apparent that all the conditions precedent for such release have been met, and City is under no obligation to undertake the required process for release of land from the deed of trust until the City is reasonably satisfied that all such conditions have been met.

5. PURCHASER TO COMMENCE DEVELOPMENT WITHIN FIVE (5) YEARS.

A. In accordance with the requirements of subsection (d2)(2) of NCGS 158-7.1 the Project Velocity or their assignee, will commence improvements on some or all of the Properties sufficient to generate cumulative increased ad valorem tax revenues ("increased tax revenues") to the City in the amount of twenty thousand dollars (\$20,000) within a period of five (5) years from the date of this Agreement. Upon failure to commence said improvements within the specified five year time limit, the Project Velocity shall re-convey enough unimproved property back to the City to account for a value of twenty thousand dollars (\$20,000). No property that has been improved shall be required to be re-conveyed, and the City agrees to accept cash payment for equivalent value, as determined by the original purchase price of one or more parcels of the Property, in lieu of reconveyance. Further, the amount of increased tax revenues shall be calculated annually by the City, and the amount of increased tax revenue to be realized by the City shall be reduced by that amount, and the resulting decreased total of increased tax revenue to be realized by the City shall be substituted for the original amount of twenty thousand dollars (\$20,000).

B. For purposes of this Agreement, "increased tax revenues" shall mean the increase in actual property taxes paid to and received by the City of Gastonia by virtue of increases in the property tax assessment of the Properties. The increase shall be measured against the assessed valuation as of July 1, 2019 (the beginning of the 2019-20 fiscal year). For purposes of this Agreement, the first year of taxes paid to the City shall be the taxes paid for fiscal year 2021-22.

6. CALCULATION OF VALUE OF THE PROPERTIES. The valuation of the Properties for purposes of the calculation required in NCGS 158-7.1 and Section 5 of this Agreement is shown on Exhibit C.

7. SALE AND LEASE OF PROPERTY TO PROJECT VELOCITY. As authorized by subsection (d) of NCGS 158-7.1 the City agrees by private negotiation to sell, lease or convey to Project Velocity or its assignee, the Properties and property interests as described on Exhibit B for the sum of ten dollars (\$10) each, subject to the following covenants and conditions:

A. Project Velocity must show proof of ownership of a membership in the Atlantic League of Professional Baseball.

B. Project Velocity must submit a master plan for the development of the Properties to the City and such plan must indicate a projected value of development and improvements sufficient to yield the increased tax revenues to the City as required under Section 5 of this Agreement. The Parties understand and agree that the preliminary conceptual plans submitted at this early stage of development are not final plans. In the course of further planning and investment it is expected that the development plans for the Properties may change according to market conditions and the City hereby agrees that such changes may be made, provided that any resulting plans shall still project expected increased tax revenues sufficient to meet the requirements of Section 5.

C. The requirements stated in subsections A and B of this Section are conditions precedent to the City conveying any parcel of land or interest in land to Project Velocity.

D. Notwithstanding anything to the contrary in this Section or in this Agreement, City grants Project Velocity an exclusive right to lease or accept conveyance (the "Option") of that

certain parcel with a Gaston County PIN of 10594, more specifically described in Section 4 of Exhibit B and Exhibit B-3 (the "Airline Drive Parcel") for a period commencing on the effective date of this Agreement and terminating on the last day of the second Agreement Year (as defined in the Use & Operating Agreement) (the "Option Period"). Prior to the expiration of the Option Period, Project Velocity may exercise the Option by delivering written notice to the City of its intention to exercise the Option to accept conveyance of or lease the Airline Drive Parcel. If, upon expiration of the Option Period, Project Velocity has not exercised the Option, the Option shall terminate, City shall have no obligations to convey or lease the Airline Drive Parcel pursuant to this Section and the terms and obligations of this Agreement shall not apply to the Airline Drive Parcel. Project Velocity's failure to exercise the Option for the Airline Drive Parcel shall not otherwise alter the terms or obligations of this Agreement.

8. **ADDITIONAL EVENTS OF DEFAULT BY PROJECT VELOCITY.** An event of insolvency, including the voluntary or involuntary filing of bankruptcy, dissolution, or receivership, or is found to be insolvent by a court of competent jurisdiction, and such filing or finding remains in effect for at least ninety (90) days. In the event of such default the City may terminate this Agreement.

9. **ASSIGNMENTS.** Except as provided in this Section, no Party may assign its rights under this Agreement. Notwithstanding the foregoing, Project Velocity may assign its rights hereunder to any affiliate or assignee provided that such assignee assumes in full all of the obligations of Project Velocity under this Agreement, from the effective date forward, and until all obligations are met. Project Velocity will give the City notice of such proposed assignment at least ten (10) days prior to making the assignment and the City shall have the right to approve or disapprove the assignment, in their reasonable discretion, based solely on whether the assignee is capable of performing the obligations of this Agreement; provided, however, that City's consent shall not be required for assignment to an affiliate of Project Velocity. In the event of an unapproved assignment the City may terminate this Agreement. Team shall further have the right to encumber by mortgage, deed of trust, security agreement or other instrument in the nature thereof the air rights or other development rights to be conveyed to Team over that approximately 8,849 square feet development pad described in Exhibit B.

10. **TERM AND TERMINATION.** The term of this Agreement shall be ten (10) years unless sooner terminated according to the provisions of this Section. The Term shall begin upon execution, and may be terminated sooner than the full term by the mutual agreement of the Parties that all provisions of this Agreement have been fulfilled by both Parties, or the Agreement has been terminated due to default of either Party. The Parties agree that either Party may terminate the Agreement if the other Party fails to perform any material term of this Agreement and fails to remedy the failure or breach within ninety (90) days.

11. **CONTROLLING LAW.** This Agreement is entered into pursuant to the laws of the State of North Carolina and shall be construed and enforced pursuant to the laws of the State of North Carolina.

12. **VENUE.** In accord with North Carolina law, venue for any action under this Agreement shall be in the Superior Court of Gaston County, or if in federal court, in the United District Court for the Western District of North Carolina.

13. FORCE MAJEURE. "Force Majeure" means the occurrence of any of the following, but only for the period of time, if any, that the performance of a Party's material obligations under this Agreement are actually delayed or prevented thereby: Acts of God, strikes, lockouts, acts of the public enemy, orders of any kind of the government of the United States of America, or of any state thereof, or any civil or military authority, insurrections, riots, epidemics, fires, restraining of government and people, civil disturbances, explosions, nuclear accidents, wars, part or entire failure of utilities, or any other cause not reasonably within the control of the party claiming inability to perform due to such cause.

14. NOTICES.

A. Whenever a notice, consent, approval, request, proposal or demand ("notice") is required or allowed under this Agreement the notice must be in writing and shall be effective upon actual receipt by the intended recipient or on the third (3rd) business day after it is properly deposited in the US mail via certified mail, return receipt requested, to the address listed below or to the last updated address given by either Party to the other.

B. Each Party's address to which notices shall be sent are:

If to the City of Gastonia:

City Manager  
PO Box 1748  
181 S South Street  
Gastonia, NC 28053

If to Project Velocity:

NC Gas House Gang, LLC  
6401 Golden Triangle Drive, Suite 305  
Greenbelt, MD 20770

15. AMENDMENTS. This Agreement may only be amended by mutual agreement in writing and signed by all Parties.

16. RECITALS AND EXHIBITS. The recitals and Exhibits set forth herein are integral components of this Agreement and are incorporated herein by reference and shall have full force and effect as if they were fully included in the body of the Agreement.

17. COUNTERPARTS. This Agreement may be executed in any number of separate counterparts and each counterpart shall constitute an original. The signatures of the Parties may appear on separate pages.

APPROVED AND ENTERED INTO this the 23<sup>rd</sup> day of June, 2020:

City of Gastonia

By Michael C. Peoples  
Michael C. Peoples, City Manager



ATTEST

Sherry H. Dunaway  
Sherry H. Dunaway, City Clerk

Project Velocity

By John Riley on behalf of and as a member of, NC Gas House Group, LLC

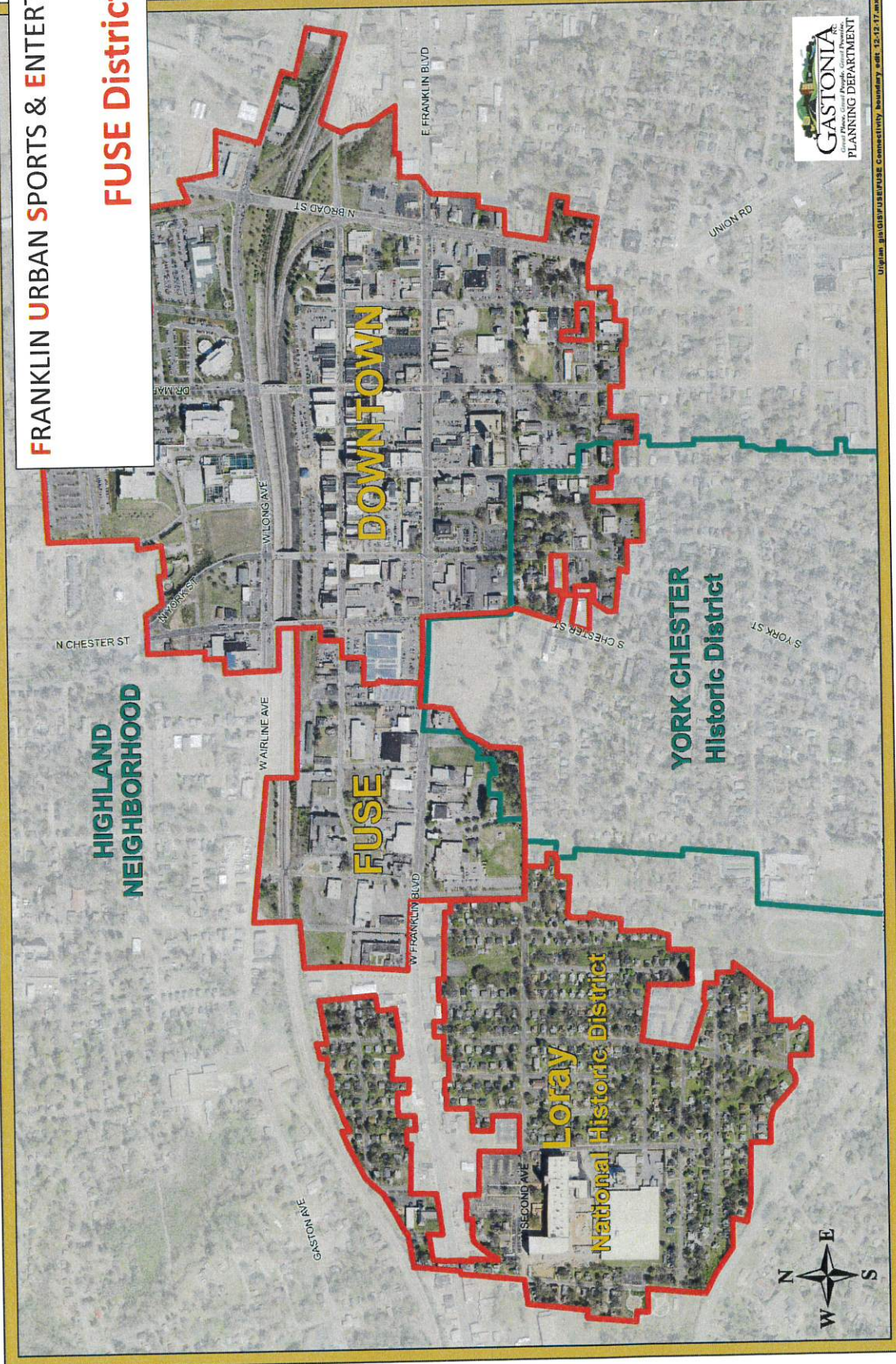
This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Crystal Certain  
Crystal Certain, Finance Director

## FUSE District

FUSE  
definition:

1. Verb: join or blend to form a single entity
2. Noun: A safety device used for igniting a spark



## EXHIBIT B

### PROPERTY DESCRIPTION

Pursuant to Section 7, City will convey the following interests in the following properties to Project Velocity (collectively, the "Property").

1. City will sell and convey a fee simple interest to Project Velocity in the following parcels:
  - a. Parcel A: That certain parcel with a Gaston County PIN of 301022, as shown as "PARCEL A" on the plat titled "FUSE RECOMBINATION PLAT" recorded in Book 89, Page 42 in the Gaston County Register of Deeds, and attached hereto and incorporated herein as Exhibit B-1;
  - b. Parcel B: That certain parcel with a Gaston County PIN of 301023, as shown as "PARCEL B" on Exhibit B-1 attached hereto; and
  - c. Parcel C: That certain parcel with a Gaston County PIN of 301024, as shown as "PARCEL C" on Exhibit B-1 attached hereto.
2. City will lease to Project Velocity an approximately 1,800 square feet building located at 618 West Main Avenue.
3. City will lease air rights or other development rights to Project Velocity on an approximately 8,849 square feet development pad located on that certain parcel with a Gaston County PIN of 301025 in the area generally shown as the "0.20 ACRE 8849.53 SQ. FT. FOR PROPOSED LEASE AREA" on Exhibit B-2 attached hereto and incorporated herein.
4. City will either sell and convey a fee simple interest or lease to Project Velocity that certain parcel with a Gaston County PIN of 105954, as shown as that parcel to the east of Trenton Street and to the South of Airline Avenue outlined in yellow on Exhibit B-3, attached hereto and incorporated herein.
5. City will lease to Project Velocity that approximately 2,984 square feet exclusive use area in the Stadium to be located on that certain parcel with a Gaston County PIN of 301025.











## EXHIBIT C

### CALCULATION OF CONSIDERATION

#### 1. Valuation of Parcels A, B, and C:

Parcel A. Appraised by Austin Smith, at a value of \$176,000 on February 21, 2020. (Appraiser's opinion of value attached).

Current tax value: \$82,760

The property is currently zoned CBD. Potential development of the property includes retail, commercial and office uses. At buildout, the estimated tax value of the property could be \$2,000,000. At the current City tax rate of .52 cents per \$100, the tax revenue to the City from Parcel A after development would be \$10,400, yielding an annual increase of \$10,400 over current tax revenue.

Ten (10) years of increased tax revenues from Parcel A would yield a total of increased property tax revenues of \$83,200.

Parcel B. Appraised by Austin Smith, at a value of \$180,000 on February 21, 2020. (Appraiser's opinion of value attached).

Current tax value: \$50,640

The property is currently zoned CBD. Potential development of the property includes retail, commercial and office uses. At buildout, the estimated tax value of the property could be \$10,000,000. At the current City tax rate of .52 cents per \$100, the tax revenue to the City from Parcel B after development would be \$52,000, yielding an annual increase of \$52,000 over current tax revenue.

Ten (10) years of increased tax revenues from Parcel B would yield a total of increased property tax revenues of \$416,000.

Parcel C. Appraised by Austin Smith, at a value of \$868,000 on February 21, 2020. (Appraiser's opinion of value attached).

Current tax value: \$130,900

The property is currently zoned CBD. Potential development of the property includes retail, commercial and office uses. At buildout, the estimated tax value of the property could be \$8,000,000. At the current City tax rate of .52 cents per \$100, the tax revenue to the City from Parcel C after development would be \$41,600, yielding an annual increase of \$41,600 over current tax revenue.

It is anticipated that Parcel C will be used for parking for several years, thus generating less increased tax revenues in the time period from 2021 to 2024.

Ten (10) years of increased tax revenues from Parcel C would yield a total of increased property tax revenues of \$249,600, calculating increases only in the years from 2024 forward.

TOTAL 10 YEAR INCREASED PROPERTY TAX REVENUES (A, B AND C) = \$748,800.

2. Valuation of leasehold interest in 1,800 sf building at Trenton & Main.

The City is leasing the property from LMG and expects to pay a nominal lease rate.

The City does not project that there will be any significant increase in the value of this developed property. However, as part of the overall mix of redevelopment and revitalization expected in the FUSE District, this is a contributing property to the expected increases in property tax revenues from the District.

3. Valuation of development pad on the Premises of the Stadium.

The development pad outside the Stadium but on the Property is suitable for development as a restaurant or retail space. The pad is located outside the outfield area and is accessible to Trenton Street.

In restaurant use, the estimated annual sales tax generation of this site could be \$12,000.

The value of the site is nearly zero if there is no professional baseball team playing its home games in the ballpark. A condition of the conveyance of the real property interests to Project Velocity is the commitment to play all home games of a professional baseball team in the ballpark. The value of the Development pad is therefore zero without a team, and valuable as a sales tax generator with a team.

The City estimates the value of the sales tax generating capacity of the development pad to be \$12,000 annually, and \$96,000 over a 10 year period.

4. Valuation of property on Airline Ave. Purchased by the City on October 25, 1978 for a sum of \$0. Appraised by Austin Smith, at a value of \$129,000 on March 9, 2020. (Appraiser's opinion of value attached).

Current tax value: \$18,730.

The property is currently zoned C-3. Unless rezoned, potential development of the property includes office and institutional uses. At buildout, the estimated tax value of the property could be \$1,000,000. At the current City tax rate of .52 cents per \$100, the tax revenue to the City from the Airline Ave property after development would be \$5,200, yielding an annual increase of \$5,200 over current tax revenue.

Ten (10) years of increased tax revenues from the Airline Ave property would yield a total of increased property tax revenues of \$41,600.

5. Valuation of 2,984 square feet exclusive use area in the city-owned ballpark.

In a traditional lease agreement, City is conveying the exclusive use area to Project Velocity for their use. The lease is at fair market value rate of \$12 per square foot and there is therefore no

economic development benefit conveyed by this lease. See Exclusive Use Area Lease Agreement for description of area conveyed.

6. Sales tax generation in the FUSE District upon development and redevelopment of properties within the District. (See Exhibit A for map and description of the FUSE District and expected uses after redevelopment). Annual Sales Tax Projection: \$67,500. 10-year Projection \$651,000.

7. Estimated private investment to put a baseball team in City Ballpark.

According to reports from individuals with knowledge, the cost of a membership in the Atlantic League of Professional Baseball (the "Atlantic League"), plus the cost of initial working capital to hire players and staff, purchase equipment, market tickets and sponsorships, and perform other necessary tasks to stand up a baseball team in the Atlantic League would be approximately five million dollars (\$5,000,000) in private investment.

#### CALCULATION OF CONSIDERATION:

Value of properties being conveyed to Project Velocity.

|                                 |  |
|---------------------------------|--|
| Parcels A, B, and C total value | \$1,224,000                                      |
| Bldg at Trenton & Main          | \$10.00  |
| Development pad (ballpark)      | \$10.00  |
| Airline Ave.                    | \$129,000  |
| Exclusive use area (ballpark)   | \$ Team to pay \$12 per square foot <sup>1</sup> |
| TOTAL                           | \$1,353,020                                      |

Estimate of increased tax revenues over ten (10) year period.

|              |             |
|--------------|-------------|
| Property tax | \$790,400   |
| Sales tax    | \$651,000   |
| TOTAL        | \$1,441,400 |

Estimate of private investment to meet covenants in Economic Development Agreement

|                    |             |
|--------------------|-------------|
| Private investment | \$5,000,000 |
|--------------------|-------------|

Final Calculation of value of property conveyed

The market value of the property to be conveyed is approximately \$1,353,020.

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<sup>1</sup> Amount not included in total calculation since this is an at arms-length transaction.

The estimated increased tax revenues over a 10-year period is \$1,441,400.

The amount of private investment required to meet the conditions and covenants in the Economic Development Agreement are approximately \$5,000,000.

The fair market value of the properties conveyed is less than the estimated increased tax revenues plus the cost of meeting the conditions and covenants of the Economic Development Agreement.

Therefore, the value of each parcel is at or near zero.

The City Council finds that the amount of consideration, taking into account prospective tax revenues from improvements to be constructed on the properties, prospective sales tax revenues to be generated in the area, and the depressed value of the properties on account of the cost of meeting the covenants and conditions placed on the conveyance, is therefore ten dollars (\$10.00) for each parcel.

# PARCEL A

LAND APPRAISAL REPORT

File No. 020011-301022

Owner City of Gastonia      Census Tract 0319.00      Map Reference 301022  
 Property Address West Franklin Boulevard  
 City Gastonia      County Gaston      State NC      Zip Code 28052  
 Legal Description Part of Deed Book 4873 Page 1163 Gaston Registry (See Unrecorded Plat on Site Plan Page)  
 Sale Price \$ N/A      Date of Sale N/A      Property Rights Appraised  Fee     Leasehold     De Minimis PUD  
 Actual Real Estate Taxes \$ N/A (yr.)  
 Client City of Gastonia      Address P O Box 1748, Gastonia, NC 28053-1748  
 Occupant Vacant      Appraiser Austin M. Smith, Jr.      Instructions to Appraiser Appraise Market Value  
 Intended User: City of Gastonia      Intended Use: Property Sale Negotiations

**NEIGHBORHOOD**

Location  Urban     Suburban     Rural  
 Built Up  Over 75%     25% to 75%     Under 25%  
 Growth Rate  Fully Dev.     Rapid     Steady     Slow  
 Property Values  Increasing     Stable     Declining  
 Demand/Supply  Shortage     In Balance     Over Supply  
 Marketing Time  Under 3 Mos.     4-8 Mos.     Over 6 Mos.  
 Present Land Use 5 % 1 Family       % 2-4 Fam       % Apts.       % Condo    80 % Commercial  
 100.00    5 % Industrial       % Vacant    5 % Institutional  
 Change in Present Land Use:  Not Likely     Likely (\*)     Taking Place (\*)  
 (\*) From \_\_\_\_\_ To \_\_\_\_\_  
 Predominant Occupancy  Owner     Tenant       % Vacant  
 Single Family Price Range \$ N/A to \$ N/A    Predominant Value \$ N/A  
 Single Family Age N/A yrs. to N/A yrs.    Predominant Age N/A yrs.

|  |                                     |                          |                          |                          |
|--|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Employment Stability                   | Good                                | Avg.                     | Fair                     | Poor                     |
| Convenience to Employment              | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Convenience to Shopping                | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Convenience to Schools                 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Adequacy of Public Transportation      | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Recreational Facilities                | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Adequacy of Utilities                  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Property Compatibility                 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Protection from Detrimental Conditions | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Police and Fire Protection             | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| General Appearance of Properties       | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Appeal to Market                       | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, noise) The market area is in a redevelopment stage with the onset of construction of the FUSE complex (subject is an outparcel). This project will serve as a magnet for development of surrounding properties into a wide variety of commercial and multi-tenant residential uses. The neighborhood boundaries include the FUSE district as well as comparably zoned areas along Franklin Boulevard & in the Central Business District.

**SITE**

Dimensions 261.34Fx75.19LSx190Rx103.65RS = 0.39 ac     Corner Lot  
 Zoning Classification CBD - Central Business District    Present Improvements  do  do not conform to zoning regulations  
 Highest and best use:  Present use     Other (specify) Development commensurate with demand in the FUSE district  
 Public  Other (Describe) \_\_\_\_\_  
 Elec.     Gas     Water     San. Sewer      Underground Elect. & Tel.  
 OFF SITE IMPROVEMENTS  
 Street Access:  Public     Private  
 Surface Asphalt  
 Maintenance:  Public     Private  
 Storm Sewer     Curb/Gutter     Street Lights  
 Sidewalk  
 Topo Gentle Slope  
 Size 0.39 ac  
 Shape Rectangular  
 View Good  
 Drainage Adequate  
 Is the property located in a HUD Identified Special Flood Hazard Area?  No     Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions) The site is to be divided from a larger tract. It will have frontage on W. Franklin Boulevard and will be inside the boundaries of the FUSE complex. The site is currently included in the grading process for construction of the FUSE amenities. Topography will be graded to accommodate suitable improvements once the project is complete (projected for early 2021)

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

For the Market Data Analysis  See grid below.     See narrative attachment.

| ITEM                             | Subject Property                              | COMPARABLE NO. 1   | COMPARABLE NO. 2   | COMPARABLE NO. 3   |
|----------------------------------|---|--|--|--|
| Address                          | West Franklin Boulevard<br>Gastonia, NC 28052 | 301 N. Lindsay Street<br>High Point, NC 27262              | 307 N. Lindsay Street<br>High Point, NC 27262              | 110 S. Broad Street<br>Winston-Salem, NC 27103             |
| Proximity to Subj.               |   | 84.88 miles NE   | 84.86 miles NE   | 80.56 miles NE   |
| Sales Price                      | \$ N/A  | \$ 592,500   | \$ 575,000   | \$ 1,500,000   |
| Price                            | \$ 0  | \$ 707,885   | \$ 623,644   | \$ 1,094,092   |
| Data Source                      |   | Public Records/Inspection                                  | Public Records/Inspection                                  | Public Records/Inspection                                  |
| Date of Sale and Time Adjustment | DESCRIPTION                                   | DESCRIPTION    + (-) \$ Adjustment                         | DESCRIPTION    + (-) \$ Adjustment                         | DESCRIPTION    + (-) \$ Adjustment                         |
| Location                         | Good  | Superior (-25%)    -176,971                                | Superior (-25%)    -155,911                                | Superior (-50%)    -547,046                                |
| Site/View                        | Good  | Average  | Average  | Average  |
| Site Area                        | 0.39 ac                                       | 0.837 ac   | 0.922 ac   | 1.371 ac   |
| Utilities                        | All Public                                    | All Public   | All Public   | All Public   |
| Shape                            | Rectangular                                   | Rectangular  | Rectangular  | Mostly Rectangular   |
| Zoning                           | CBD   | MX-D (Commercial)    Eq. Value                             | MX-D (Commercial)    Eq. Value                             | HB    Eq. Value  |
| Sales or Financing Concessions   | None Offered                                  | None   | None   | None   |
| Net Adj. (Total)                 |   | Plus <input checked="" type="checkbox"/> Minus \$ -176,971 | Plus <input checked="" type="checkbox"/> Minus \$ -155,911 | Plus <input checked="" type="checkbox"/> Minus \$ -547,046 |
| Indicated Value of Subject       |   | Gross 25.0%<br>Net 25.0%    \$ 530,914                     | Gross 25.0%<br>Net 25.0%    \$ 467,733                     | Gross 50.0%<br>Net 50.0%    \$ 547,046                     |

Comments on Market Data: Sales #1 & #2 are located in good proximity to the Minor League Ballpark in High Point NC. High Point population is 1.5 +/- times greater than Gastonia; it is believed this demographic offers an indication of greater demand for commercial properties near the ballpark, thus a negative 25% adj. has been made. Hospital & medical uses are also nearby. Sale #3 is adjacent to the Minor League Ballpark in Winston-Salem NC. Winston-Salem population is 3.2 +/- times greater than Gastonia; resulting in an indicated negative 50% adjustment. Sale #2 actual price was \$525,000; however demolition costs estimated at \$50,000 were necessary after the purchase, thus the adjusted price is shown above.

Comments and Conditions of Appraisal: The above sales all took place after the baseball amenities were completed and operational whereas the subject project is in the beginning construction stage (estimated completion in 2021). Therefore some discounting is necessary to account for the time necessary for completion of the project. Analysis of required rates of return for retail and lodging facilities show an average of 12.5%. Since construction/completion of any improvements on the subject property would be delayed it is believed that a discount of 12.5% is appropriate.

Final Reconciliation: There are no comparable properties in Gastonia as no other similar redevelopment project exists. The sales above are near comparable redevelopment projects with a wide variety of improvements making them appropriate comparable sales for the subject property. Applying equal weight to the above sales results in an indicated value of \$515,231 per acre. Discounting this for time as discussed above results in an indicated current market value of 450,827 per acre. This, times the 0.39 acres, equals an amount of \$175,823, rounded to \$176,000.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF February 21, 2020 to be \$ 176,000

**PARCEL B**

LAND APPRAISAL REPORT

File No. 020011-301023

Owner City of Gastonia Census Tract 0319.00 Map Reference 301023  
 Property Address South Trenton Street County Gaston State NC Zip Code 28052  
 City Gastonia Legal Description Part of Deed Book 4873 Page 1163 Gaston Registry (See Unrecorded Plat on Site Plan Page)  
 Sale Price \$ N/A Date of Sale N/A Property Rights Appraised  Fee  Leasehold  De Minimis PUD  
 Actual Real Estate Taxes \$ N/A (yr.)  
 Client City of Gastonia Address P O Box 1748, Gastonia, NC 28053-1748  
 Occupant Vacant Appraiser Austin M. Smith, Jr. Instructions to Appraiser Appraise Market Value  
 Intended User: City of Gastonia Intended Use: Property Sale Negotiations

**IDENTIFICATION**

**NEIGHBORHOOD**

Location  Urban  Suburban  Rural  
 Build Up  Over 75%  25% to 75%  Under 25%  
 Growth Rate  Fully Dev.  Rapid  Steady  Slow  
 Property Values  Increasing  Stable  Declining  
 Demand/Supply  Shortage  In Balance  Over Supply  
 Marketing Time  Under 3 Mos.  4-6 Mos.  Over 6 Mos.  
 Present Land Use 5 % 1 Family 5 % 2-4 Fam 80 % Apts. 5 % Condo 5 % Commercial  
 100.00 5 % Industrial 5 % Vacant 5 % Institutional  
 Change in Present Land Use  Not Likely  Likely (\*)  Taking Place (\*)  
 (\*) From \_\_\_\_\_ To \_\_\_\_\_  
 Predominant Occupancy  Owner  Tenant \_\_\_\_\_ % Vacant  
 Single Family Price Range \$ N/A to \$ N/A Predominant Value \$ N/A  
 Single Family Age N/A yrs. to N/A yrs. Predominant Age N/A yrs.

Employment Stability  Good  Avg.  Fair  Poor  
 Convenience to Employment   
 Convenience to Shopping   
 Convenience to Schools   
 Adequacy of Public Transportation   
 Recreational Facilities   
 Adequacy of Utilities   
 Property Compatibility   
 Protection from Detrimental Conditions   
 Police and Fire Protection   
 General Appearance of Properties   
 Appeal to Market

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, noise) The market area is in a redevelopment stage with the onset of construction of the FUSE complex (subject is an outparcel). This project will serve as a magnet for development of surrounding properties into a wide variety of commercial and multi-tenant residential uses. The neighborhood boundaries include the FUSE district as well as comparably zoned areas along Franklin Boulevard & in the Central Business District.

Dimensions 290.01Fx60.11Lx290Rx60.57RS = 0.40 ac  Corner Lot  
 Zoning Classification CBD - Central Business District Present Improvements  do  do not conform to zoning regulations  
 Highest and best use:  Present use  Other (specify) Development commensurate with demand in the FUSE district

**SITE**

Elev.  Public  Other (Describe) \_\_\_\_\_  
 Gas   
 Water   
 San. Sewer   
 Underground Elect. & Tel.  
 OFF SITE IMPROVEMENTS  
 Street Access:  Public  Private  
 Surface Asphalt  
 Maintenance:  Public  Private  
 Storm Sewer  Curb/Gutter  
 Sidewalk  Street Lights  
 Topo Gentle Slope  
 Size 0.40 ac  
 Shape Rectangular  
 View Good  
 Drainage Adequate  
 Is the property located in a HUD Identified Special Flood Hazard Area?  No  Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions) The site is to be divided from a larger tract. It will have frontage on S. Trenton Street and will be inside the boundaries of the FUSE complex. The site is currently included in the grading process for construction of the FUSE amenities. Topography will be graded to accommodate suitable improvements once the project is complete (projected for early 2021).

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

For the Market Data Analysis  See grid below.  See narrative attachment.

| ITEM                             | Subject Property                           | COMPARABLE NO. 1  | COMPARABLE NO. 2  | COMPARABLE NO. 3  |
|----------------------------------|--|---|---|---|
| Address                          | South Trenton Street<br>Gastonia, NC 28052 | 301 N. Lindsay Street<br>High Point, NC 27262                                       | 307 N. Lindsay Street<br>High Point, NC 27262                                       | 110 S. Broad Street<br>Winston-Salem, NC 27103                                      |
| Proximity to Subj.               |  | 82.18 miles NE  | 82.17 miles NE  | 78.33 miles NE  |
| Sales Price                      | \$ N/A                                     | \$ 592,500  | \$ 575,000  | \$ 1,500,000  |
| Price                            | \$ 0                                       | \$ 707,885  | \$ 623,644  | \$ 1,094,092  |
| Data Source                      |  | Public Records/Inspection   | Public Records/Inspection   | Public Records/Inspection   |
| Date of Sale and Time Adjustment | DESCRIPTION                                | DESCRIPTION   | DESCRIPTION   | DESCRIPTION   |
| Location                         | Good                                       | Superior (-25%)   | Superior (-25%)   | Superior (-50%)   |
| Site/View                        | Good                                       | Average   | Average   | Average   |
| Site Area                        | 0.40 ac                                    | 0.837 ac  | 0.922 ac  | 1.371 ac  |
| Utilities                        | All Public                                 | All Public  | All Public  | All Public  |
| Shape                            | Rectangular                                | Rectangular   | Rectangular   | Mostly Rectangular  |
| Zoning                           | CBD  | MX-D (Commercial)   | MX-D (Commercial)   | HB  |
| Sales or Financing Concessions   | None Offered                               | None  | None  | None  |
| Net Adj. (Total)                 |  | Plus <input type="checkbox"/> Minus <input checked="" type="checkbox"/> \$ -176,971 | Plus <input type="checkbox"/> Minus <input checked="" type="checkbox"/> \$ -155,911 | Plus <input type="checkbox"/> Minus <input checked="" type="checkbox"/> \$ -547,046 |
| Indicated Value of Subject       |  | Gross 25.0%<br>Net 25.0% \$ 530,914   | Gross 25.0%<br>Net 25.0% \$ 467,733   | Gross 50.0%<br>Net 50.0% \$ 547,046   |

Comments on Market Data: Sales #1 & #2 are located in good proximity to the Minor League Ballpark in High Point NC. High Point population is 1.5 +/- times greater than Gastonia; it is believed this demographic offers an indication of greater demand for commercial properties near the ballpark, thus a negative 25% adj. has been made. Hospital & medical uses are also nearby. Sale #3 is adjacent to the Minor League Ballpark in Winston-Salem NC. Winston-Salem population is 3.2 +/- times greater than Gastonia; resulting in an indicated negative 50% adjustment. Sale #2 actual price was \$525,000; however demolition costs estimated at \$50,000 were necessary after the purchase, thus the adjusted price is shown above.

Comments and Conditions of Appraisal: The above sales all took place after the baseball amenities were completed and operational whereas the subject project is in the beginning construction stage (estimated completion in 2021). Therefore some discounting is necessary to account for the time necessary for completion of the project. Analysis of required rates of return for retail and lodging facilities show an average of 12.5%. Since construction/completion of any improvements on the subject property would be delayed it is believed that a discount of 12.5% is appropriate.

Final Reconciliation: There are no comparable properties in Gastonia as no other similar redevelopment project exists. The sales above are near comparable redevelopment projects with a wide variety of improvements making them appropriate comparable sales for the subject property. Applying equal weight to the above sales results in an indicated value of \$515,231 per acre. Discounting this for time as discussed above results in an indicated current market value of 450,827 per acre. This, times the 0.40 acres, equals an amount of \$180,331, rounded to \$180,000.

ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF February 21, 2020 to be \$ 180,000

AUSTIN M SMITH appraisal svcs

# PARCEL C

LAND APPRAISAL REPORT

File No. 020011-301024

Owner City of Gastonia      Census Tract 0319.00      Map Reference 301024  
 Property Address North Trenton Street  
 City Gastonia      County Gaston      State NC      Zip Code 28052  
 Legal Description Part of Deed Book 4873 Page 1163 Gaston Registry (See Unrecorded Plat on Site Plan Page)  
 Sale Price \$ N/A      Date of Sale N/A      Property Rights Appraised  Fee  Leasehold  De Minimis PUD  
 Actual Real Estate Taxes \$ N/A (yr.)  
 Client City of Gastonia      Address P O Box 1748, Gastonia, NC 28053-1748  
 Occupant Vacant      Appraiser Austin M. Smith, Jr.      Instructions to Appraiser Appraise Market Value  
 Intended User: City of Gastonia      Intended Use: Property Sale Negotiations

**IDENTIFICATION**

Location  Urban  Suburban  Rural  
 Built Up  Over 75%  25% to 75%  Under 25%  
 Growth Rate  Fully Dev.  Rapid  Steady  Slow  
 Property Values  Increasing  Stable  Declining  
 Demand/Supply  Shortage  In Balance  Over Supply  
 Marketing Time  Under 3 Mos.  4-6 Mos.  Over 6 Mos.  
 Present Land Use 5 % 1 Family 5 % 2-4 Fam 5 % Apts. 80 % Condo 5 % Commercial  
 100.00 5 % Industrial 5 % Vacant 5 % Institutional  
 Change in Present Land Use  Not Likely  Likely (\*)  Taking Place (\*)  
 Predominant Occupancy  Owner  Tenant  % Vacant  
 Single Family Price Range \$ N/A to \$ N/A      Predominant Value \$ N/A  
 Single Family Age N/A yrs. to N/A yrs.      Predominant Age N/A yrs.

|  |                                     |                                     |                          |                          |
|--|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| Employment Stability                   | Good                                | Avg.                                | Fair                     | Poor                     |
| Convenience to Employment              | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Convenience to Shopping                | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Convenience to Schools                 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Adequacy of Public Transportation      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Recreational Facilities                | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Adequacy of Utilities                  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Property Compatibility                 | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Protection from Detrimental Conditions | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Police and Fire Protection             | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| General Appearance of Properties       | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Appeal to Market                       | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, noise) The market area is in a redevelopment stage with the onset of construction of the FUSE complex (subject is an outparcel). This project will serve as a magnet for development of surrounding properties into a wide variety of commercial and multi-tenant residential uses. The neighborhood boundaries include the FUSE district as well as comparably zoned areas along Franklin Boulevard & in the Central Business District.

**NEIGHBORHOOD**

Dimensions 135.39F x 606.86L x 124.92R x 622.65RS = 2.06 ac      Corner Lot   
 Zoning Classification CBD - Central Business District      Present Improvements  do  do not conform to zoning regulations  
 Highest and best use:  Present use  Other (specify) Development commensurate with demand in the FUSE district  
 Elec.  Public  Other (Describe) \_\_\_\_\_      Topo Gentle Slope  
 Gas  \_\_\_\_\_      Size 2.06 ac  
 Water  \_\_\_\_\_      Shape Rectangular  
 San. Sewer  \_\_\_\_\_      View Good  
 Underground Elect. & Tel.      Drainage Adequate  
 OFF SITE IMPROVEMENTS  
 Street Access:  Public  Private  
 Surface Asphalt  
 Maintenance:  Public  Private  
 Storm Sewer  Curb/Gutter  
 Sidewalk  Street Lights  
 Is the property located in a HUD Identified Special Flood Hazard Area?  No  Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions) The site is to be divided from a larger tract. It will have frontage on N. Trenton Street and will be inside the boundaries of the FUSE complex. It will also border the railroad tracks to the north. The site is currently included in the grading process for construction of the FUSE amenities. Topography will be graded to accommodate suitable improvements once the project is complete (projected for early 2021).

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

For the Market Data Analysis  See grid below.  See narrative attachment.

| ITEM                             | Subject Property                           | COMPARABLE NO. 1                                  |                     | COMPARABLE NO. 2                                  |                     | COMPARABLE NO. 3                                  |                     |
|----------------------------------|--|---|---------------------|---|---------------------|---|---------------------|
| Address                          | North Trenton Street<br>Gastonia, NC 28052 | West First Street<br>Winston-Salem, NC 27103      |                     | 307 N. Lindsay Street<br>High Point, NC 27262     |                     | 110 S. Broad Street<br>Winston-Salem, NC 27103    |                     |
| Proximity to Subj.               |  | 77.83 miles NE                                    |                     | 81.75 miles NE                                    |                     | 77.81 miles NE                                    |                     |
| Sales Price                      | \$ N/A                                     | \$ 3,749,000                                      |                     | \$ 575,000  |                     | \$ 1,500,000                                      |                     |
| Price                            | \$ 0                                       | \$ 858,288  |                     | \$ 623,644  |                     | \$ 1,094,092                                      |                     |
| Data Source                      |  | Public Records/Inspection                         |                     | Public Records/Inspection                         |                     | Public Records/Inspection                         |                     |
| Date of Sale and Time Adjustment | DESCRIPTION                                | DESCRIPTION                                       | + (-) \$ Adjustment | DESCRIPTION                                       | + (-) \$ Adjustment | DESCRIPTION                                       | + (-) \$ Adjustment |
| Location                         | Good                                       | Superior (-50%)                                   | -429,144            | Superior (-25%)                                   | -155,911            | Superior (-50%)                                   | -547,046            |
| Site/View                        | Good                                       | Average   |                     | Average   |                     | Average   |                     |
| Site Area                        | 2.06 ac                                    | 4.368 ac  |                     | 0.922 ac  |                     | 1.371 ac  |                     |
| Utilities                        | All Public                                 | All Public  |                     | All Public  |                     | All Public  |                     |
| Shape                            | Rectangular                                | Rectangular                                       |                     | Rectangular                                       |                     | Mostly Rectangular                                | Eq. Value           |
| Zoning                           | CBD  | MX-D (Commercial)                                 | Eq. Value           | MX-D (Commercial)                                 | Eq. Value           | HB  | Eq. Value           |
| Sales or Financing Concessions   | None Offered                               | None  |                     | None  |                     | None  |                     |
| Net Adj. (Total)                 |  | Plus <input checked="" type="checkbox"/> Minus \$ | -429,144            | Plus <input checked="" type="checkbox"/> Minus \$ | -155,911            | Plus <input checked="" type="checkbox"/> Minus \$ | -547,046            |
| Indicated Value of Subject       |  | Gross 50.0%                                       |                     | Gross 25.0%                                       |                     | Gross 50.0%                                       |                     |
|                                  |  | Net 50.0%   | \$ 429,144          | Net 25.0%   | \$ 467,733          | Net 50.0%   | \$ 547,046          |

Comments on Market Data: Sale #2 is in good proximity to the Minor League Ballpark in High Point NC. High Point population is 1.5 +/- times greater than Gastonia; it is believed this demographic offers an indication of greater demand for commercial properties near the ballpark, thus a negative 25% adj. has been made. Hospital & medical uses are also nearby. Sales #1 & #3 are adjacent to the Minor League Ballpark in Winston-Salem NC. Winston-Salem population is 3.2 +/- times greater than Gastonia; resulting in an indicated negative 50% adj. Sale #2 actual price was \$525,000; however demolition costs estimated at \$50,000 were necessary, thus the adjusted price is shown above. Sale #1 actual price was \$3,649,000 plus \$100,000 demolition costs added.

Comments and Conditions of Appraisal: The above sales all took place after the baseball amenities were completed and operational whereas the subject project is in the beginning construction stage (estimated completion in 2021). Therefore some discounting is necessary to account for the time necessary for completion of the project. Analysis of required rates of return for retail and lodging facilities show an average of 12.5%. Since construction/completion of any improvements on the subject property would be delayed it is believed that a discount of 12.5% is appropriate.

Final Reconciliation: There are no comparable properties in Gastonia as no other similar redevelopment project exists. The sales above are near comparable redevelopment projects with a wide variety of improvements making them appropriate comparable sales for the subject property. Applying equal weight to the above sales results in an indicated value of \$481,308 per acre. Discounting this for time as discussed above results in an indicated current market value of 421,144 per acre. This, times the 2.06 acres, equals an amount of \$867,557, rounded to \$868,000.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF February 21, 2020 to be \$ 868,000

# AIRLINE AVENUE PARCEL

LAND APPRAISAL REPORT

File No. 020026 Airline Ave

Owner City of Gastonia Census Tract 0319.00 Map Reference 105954  
 Property Address 701 W. Airline Avenue County Gaston State NC Zip Code 28052  
 City Gastonia Legal Description Part of Deed Book 1272 Page 602 Gaston Registry (See Unrecorded Plats on Site Plan Pages)  
 Sale Price \$ N/A Date of Sale N/A Property Rights Appraised  Fee  Leasehold  De Minimis PUD  
 Actual Real Estate Taxes \$ N/A (yr.)  
 Client City of Gastonia Address P O Box 1748, Gastonia, NC 28053-1748  
 Occupant Vacant Appraiser Austin M. Smith, Jr. Instructions to Appraiser Appraise Market Value  
 Intended User: City of Gastonia Intended Use: Property Sale Negotiations

|  |   |
|--|---|
| Location <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural<br>Built Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25%<br>Growth Rate <input type="checkbox"/> Fully Dev. <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Steady <input type="checkbox"/> Slow<br>Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining<br>Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply<br>Marketing Time <input type="checkbox"/> Under 3 Mos. <input type="checkbox"/> 4-8 Mos. <input checked="" type="checkbox"/> Over 8 Mos. | Employment Stability <input type="checkbox"/> Good <input checked="" type="checkbox"/> Avg. <input type="checkbox"/> Fair <input type="checkbox"/> Poor<br>Convenience to Employment <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/><br>Convenience to Shopping <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/><br>Convenience to Schools <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/><br>Adequacy of Public Transportation <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/><br>Recreational Facilities <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/><br>Adequacy of Utilities <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/><br>Property Compatibility <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/><br>Protection from Detrimental Conditions <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/><br>Police and Fire Protection <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/><br>General Appearance of Properties <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/><br>Appeal to Market <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Present Land Use <u>5</u> % 1 Family <u>5</u> % 2-4 Fam <u>5</u> % Apts. <u>80</u> % Condo <u>5</u> % Commercial<br>100.00 <u>5</u> % Industrial <u>5</u> % Vacant <u>5</u> % Institutional<br>Change in Present Land Use <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely (*) <input type="checkbox"/> Taking Place (*)<br>(*) From _____ To _____<br>Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant _____ % Vacant<br>Single Family Price Range \$ <u>N/A</u> to \$ <u>N/A</u> Predominant Value \$ <u>N/A</u><br>Single Family Age <u>N/A</u> yrs. to <u>N/A</u> yrs. Predominant Age <u>N/A</u> yrs.  |   |

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, noise) The market area is in a redevelopment stage with the onset of construction of the FUSE complex (subject is an out parcel). This project will serve as a magnet for development of surrounding properties into a wide variety of commercial and multi-tenant residential uses. The neighborhood boundaries include the FUSE district. This sports/entertainment complex is under construction with completion planned for early in 2021.

Dimensions Irregular per GIS sketch & plats = 0.86 ac  Corner Lot  
 Zoning Classification C-3 - Commercial District Present improvements  do  do not conform to zoning regulations  
 Highest and best use:  Present use  Other (specify) Development commensurate with demand in the FUSE district  
 Elec.  Public  Other (Describe) \_\_\_\_\_  
 Gas  \_\_\_\_\_  
 Water  \_\_\_\_\_  
 San. Sewer  \_\_\_\_\_  
 Underground Elect. & Tel.  \_\_\_\_\_  
 OFF SITE IMPROVEMENTS  
 Street Access:  Public  Private  
 Surface Asphalt  
 Maintenance:  Public  Private  
 Storm Sewer  Curb/Gutter  
 Sidewalk  Street Lights  
 Topo Gentle Slope  
 Size 0.86 ac  
 Shape Triangular  
 View Average  
 Drainage Adequate  
 Is the property located in a HUD identified Special Flood Hazard Area?  No  Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions) The site is fairly level with some slope to the railroad tracks along the rear boundary. The property has good frontage on W. Airline Avenue and N. Trenton Street. The client advised that a pedestrian bridge was planned for crossing the rail line to the FUSE complex & that the subject parcel was included in the master plan for the FUSE District. The site is a long, triangular shaped property with significant limitations on the useful area due to zoning setbacks.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties, if a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

For the Market Data Analysis  See grid below.  See narrative attachment.

| ITEM                             | Subject Property                            | COMPARABLE NO. 1  | COMPARABLE NO. 2  | COMPARABLE NO. 3  |
|----------------------------------|---|---|---|---|
| Address                          | 701 W. Airline Avenue<br>Gastonia, NC 28052 | 301 N. Lindsay Street<br>High Point, NC 27262                                       | 307 N. Lindsay Street<br>High Point, NC 27262                                       | 110 S. Broad Street<br>Winston-Salem, NC 27103  |
| Proximity to Subj.               |   | 81.72 miles NE  | 81.71 miles NE  | 77.78 miles NE  |
| Sales Price                      | \$ N/A                                      | \$ 592,500  | \$ 575,000  | \$ 1,500,000  |
| Price                            | \$ 0  | \$ 707,885  | \$ 623,644  | \$ 1,094,092  |
| Date Source                      |   | Public Records/Inspection   | Public Records/Inspection   | Public Records/Inspection   |
| Date of Sale and Time Adjustment | DESCRIPTION                                 | DESCRIPTION + (-) \$ Adjustment   | DESCRIPTION + (-) \$ Adjustment   | DESCRIPTION + (-) \$ Adjustment   |
| Location                         | Good  | 12/22/2019<br>Superior (-25%) -176,971  | 05/23/2019<br>Superior (-25%) -155,911  | 05/09/2018<br>Superior (-50%) -547,046  |
| Site/View                        | Average                                     | Average   | Average   | Average   |
| Site Area                        | 0.86 ac                                     | 0.837 ac  | 0.922 ac  | 1.371 ac  |
| Utilities                        | All Public                                  | All Public  | All Public  | All Public  |
| Shape                            | Triangular/Rail Frontage                    | Rectangular (-45%) -318,548   | Rectangular (-45%) -280,640   | Mostly Rectangular (-45%) -492,341  |
| Zoning                           | C-3   | MX-D (Commercial) Eq. Value   | MX-D (Commercial) Eq. Value   | HB Eq. Value  |
| Sales or Financing Concessions   | None Offered                                | None  | None  | None  |
| Net Adj. (Total)                 |   | Plus <input type="checkbox"/> Minus <input checked="" type="checkbox"/> \$ -495,519 | Plus <input type="checkbox"/> Minus <input checked="" type="checkbox"/> \$ -436,551 | Plus <input type="checkbox"/> Minus <input checked="" type="checkbox"/> \$ -1,039,387 |
| Indicated Value of Subject       |   | Gross 70.0%<br>Net 70.0% \$ 212,366   | Gross 70.0%<br>Net 70.0% \$ 187,093   | Gross 95.0%<br>Net 95.0% \$ 54,705  |

Comments on Market Data: Sales #1 & #2 are located in good proximity to the Minor League Ballpark in High Point NC. High Point population is 1.5 +/- times greater than Gastonia; it is believed this demographic offers an indication of greater demand for commercial properties near the ballpark, thus a negative 25% adj. has been made. Hospital & medical uses are also nearby. Sale #3 is adjacent to the Minor League Ballpark in Winston-Salem NC. Winston-Salem population is 3.2 +/- times greater than Gastonia; resulting in an indicated negative 50% adjustment. Sale #2 actual price was \$525,000; however demolition costs estimated at \$50,000 were necessary after the purchase, thus the adjusted price is shown above. The sales are also adjusted for shape/rail frontage based on paired sale data retained in the appraiser's files.

Comments and Conditions of Appraisal: The above sales all took place after the baseball amenities were completed and operational whereas the subject project is in the beginning construction stage (estimated completion in 2021). Therefore some discounting is necessary to account for the time necessary for completion of the project. Analysis of required rates of return for retail and lodging facilities show an average of 12.5%. Since construction/completion of any improvements on the subject property would be delayed it is believed that a discount of 12.5% is appropriate.

Final Reconciliation: There are no comparable properties in Gastonia as no other similar redevelopment project exists. The sales above are near comparable redevelopment projects with a wide variety of improvements making them appropriate comparable sales for the subject property. Applying equal weight to the above sales results in an indicated value of \$151,388 per acre. Discounting this for time as discussed above results in an indicated current market value of \$134,567 per acre. This, times the 0.86 acres, equals an amount of \$129,184, rounded to \$129,000. This appraisal is based on a Hypothetical Condition; completion of the FUSE project in the time frame analyzed above.



## Contract Approvals/Certificates

CONTRACT: 20200210 -ECONOMIC DEVELOPMENT AGREEMENT-PROJECT VELOCITY

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Approved as to form:

A handwritten signature in cursive script, appearing to read "L. Leblond Smith".

7/7/2020 3:11:03PM

