

**Item Title:** Amendment to Purchase and Sale Agreements and the MOA for Disposition and Development of Affordable Housing on County-Owned Property at 1317 N. Main St., Holly Springs

**Specific Action Requested:**  
**That the Board of Commissioners:**

- 1. Authorizes the County Manager to execute an amended Memorandum of Agreement (MOA) between Wake County, the Town of Holly Springs, DHIC, Inc. and Capital Associates (CA), to coordinate the disposition and development of a 19.89-acre tract of real property (“the Property”) located at 1317 N. Main St. in Holly Springs;**
- 2. Authorizes the County Manager to execute an amendment to the agreement for the donative conveyance of a 10+/- acre portion of the subject Property to the Town of Holly Springs, NC pursuant to N.C.G.S. 160A-274;**

**All amendments are subject to terms and conditions acceptable to the County Attorney. Agreements are also contingent upon the developments receiving local approvals including site plan approval and all necessary permits from the local municipality.**

**Item Summary:**

**Purpose:** The Board of Commissioners approves all Wake County real estate transactions and related agreements.

**Background:** Over the past several years, Wake County has collaborated with the Town of Holly Springs and other stakeholders to develop a surplus property parcel on Main Street in Holly Springs. The concept for the nearly 20-acre property includes 124 units of affordable rental housing developed by DHIC as well as office and retail space. The Board of Commissioners has approved several actions to advance this project, including declaring the land surplus in 2017, adopting a surplus property disposition policy in 2019, and approving a Memorandum of Agreement and Disposition Contract in 2020.

Since the Board’s last action on this project, one stakeholder, MyComputerCareer (MyCC) has withdrawn. The actions in this agenda item replace MyCC with another stakeholder, Capital Associates, in the Memorandum of Agreement and Disposition Contract previously approved by the Board of Commissioners. The Town will continue to work with capital Associates on the commercial portion of this project. Wake County will continue to work with DHIC on the affordable housing portion of the project, expected to begin construction in 2023.

This Board action authorizes the Manager to execute a new MOA and Disposition Contract for the donative conveyance from the County to the Town of roughly half the 20-acre parcel. This facilitates the progress of both the commercial and affordable housing components of the project.

**Board Goal:** This action complements Community Health and Vitality Goal 5: Create and Preserve Affordable Housing, as well as Economic Strength Goal 3: Support Economic Development Efforts to Bring Diverse Jobs, Talent, Businesses, and Visitors to Wake County.

**Fiscal Impact:** Disposition of the Property will occur after satisfactory completion of terms and conditions identified in the MOA. Satisfactory completion and disposition may result in compensation as determined through an appraisal of fair market value as described in the MOA and the purchase contracts. If proceeds are derived from sale, they will be deposited in the Housing CIP Fund. Additional request for funding to develop affordable housing has occurred through the Affordable Housing Development Program. Additional requests to address financing gaps may occur.

**Additional Information:**

Wake County released a Request for Proposals (RFP #20-006) on January 1, 2020 for a 19.89-acre tract of County-owned property located at 1317 N. Main St., Holly Springs, NC. This is the first development project stemming from Wake County Housing's Public Land Disposition Program. Upon closing of the Request for Proposal period, MyComputerCareer (MyCC) and DHIC were recommended as the lead co-applicants and Project Sponsors. Their proposal included 124 units of affordable rental housing for families on approximately 9+/- acres of the parcel, with the remainder developed with office space for MyCC, retail, and other supporting commercial uses. Wake County entered into a Memorandum of Agreement (MOA) with DHIC, MyCC, and the Town of Holly Springs in July 2020. Wake County entered into a Disposition Contract for the donative conveyance of 10+/- acres of the land to the Town of Holly Springs for commercial development by MyCC in November 2020.



While working through milestones outlined in the MOA, MyCC engaged Savills USA and Capital Associates to provide development and property management services for the commercial development. In April 2022, MyCC removed itself from the project. Capital Associates stepped into the role of commercial development project sponsor, working with the Town to create a new development plan that would fulfill the objectives of the original proposal. The commercial development will address infrastructure and site work costs necessary to make the affordable housing development financially feasible. DHIC cannot begin work until the commercial development proceeds.

On September 20, 2022, the Holly Springs Town Council approved a new Development Agreement and Economic Development Agreement with Capital Associates. The new development plan will include 85,000 square feet of office space, a 64,000 square foot hotel, and 10,000 square feet of retail, as well as an outdoor amenity area. In consultation with the Town of Holly Springs, Wake County has revised the MOA to reflect Capital Associates as the project sponsor of the commercial development. The revised MOA will continue to commit all parties to completing milestones towards the development of 1317 N. Main Street, including creating 124 units of affordable rental housing for families. This document requires Board of Commissioners authorization for signature by the County Manager and Wake County Housing Director.

In addition, a new Disposition Contract between Wake County and the Town of Holly Springs updates the closing date of the donative conveyance of the western parcel to the Town to June 1, 2023 and incorporates changes to project sponsorship from MyCC to Capital Associates. This Contract will supersede the original Disposition Contract from

November 2020. The Disposition Contract requires Board of Commissioners Approval for signature by the County Manager.

**Attachments:**

1. Proposed Amended MOA
2. Proposed Amended Disposition Contract