

I, Brittney Hunt, Town Clerk of the Town of Chapel Hill, North Carolina, hereby certify that the attached is a true and correct copy of (2026-04-15/R-7) adopted by the Chapel Hill Town Council on April 15, 2026.



This the 16th day of April, 2026.

Brittney N. Hunt

**Brittney Hunt
Town Clerk**

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO SIGN CHAPEL HILL VENTURES LLC INCENTIVE AGREEMENT (2026-04-15/R-7)

WHEREAS, the Council wants to create a strong and active downtown; and

WHEREAS, investment in downtown adds to its life and vibrancy; and

WHEREAS, CHAPEL HILL VENTURES LLC committed to locating a significant facility in downtown Chapel Hill; and

WHEREAS, such a project will increase taxable property base, business prospects of the Town, and will have the continued benefits of diversifying the local economy;

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council authorizes the Manager to sign the Chapel Hill Ventures, LLC Incentive Agreement as presented to the Town Council on April 15, 2026 subject to minor technical and non-substantive adjustments as needed in the judgement of the Manager and Town Attorney and distribute the award accordingly.

This the 15th day of April, 2026.

NORTH CAROLINA
ORANGE COUNTY

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Economic Development Incentive Agreement (hereinafter “Agreement”) is made and entered into as of the ____ day of April, 2026, by and among Chapel Hill Ventures, LLC a limited liability company duly organized under the laws of the State of Florida and duly qualified to do business in the State of North Carolina and is in good standing in the State of North Carolina, (“Owner”) and the Town of Chapel Hill, a North Carolina municipal corporation (“Town”) for the purpose of encouraging the development of a hotel with a minimum of 135 rooms by Town’s fiscal year 2030 resulting in major capital investment in downtown Chapel Hill, and look substantially similar to Exhibit A (“Project”). Owner and the Town may hereinafter be referred to individually as a “Party” or collectively as the “Parties.”

RECITALS

1. On April 15, 2026, the Chapel Hill Town Council, the governing board of the Town, authorized an Incentive Policy, that includes awarding incentives for capital investment.
2. Owner inquired about the possibility of locating a significant investment in downtown Chapel Hill in connection with the Project.
3. The Parties anticipate that the Project will result in investing up to twenty-eight million dollars (\$28,000,000.00).
4. Performance-based financial support from the Town to this Project would make it possible for the Owner to proceed with committing significant investment in downtown Chapel Hill.
5. Based on careful consideration and evaluation of the performance-based financial support proposed by the Town, Owner is willing to invest significant resources in downtown Chapel Hill.
6. Such a Project will increase taxable property base, business prospects of the Town, and will have the continued benefits of diversifying the local economy.
7. A public hearing on this proposed Agreement was held April 15, 2026, in satisfaction of all requirements of North Carolina Gen. Stat. §158-7.1(c).
8. On April 15, 2026, the Town Council authorized entering into this Agreement pursuant to Resolution Number 2026-04/15-R7.

NOW, THEREFORE, based upon the terms and conditions set forth herein and in consideration of the mutual promises and assurances provided herein, the Owner and the Town do hereby agree as follows:

TERMS:

1. Town Economic Development Grant. The Town hereby agrees to award a Performance-Based Economic Development Grant (“Grant”) to Owner to be paid in multiple annual installments consisting of: (i) annual credits toward payment otherwise due for use of Town parking spaces (each annual credit, a “Credit” and, collectively, such annual credits, the “Credits”). The aggregate amount of Credits shall not exceed two-hundred and eighty thousand dollars (\$280,000.00) (“Aggregate Credit Award”). The Grant is subject to the terms and conditions set forth herein.
2. Project Effective Date. This Agreement shall be effective as of April __, 2026 (the “Effective Date”).
3. Inducement: Notwithstanding anything contained herein to the contrary, the parties hereto covenant and agree that the Credits are a material consideration in the Owner’s decision to locate the investment in downtown Chapel Hill, Orange County, North Carolina, that the Owner would not have invested its Project in downtown Chapel Hill without the Credits and that the Owner will be substantially harmed in the event that Chapel Hill’s obligations are not satisfied as provided herein.
4. Term. This Agreement shall commence on the Effective Date and shall expire on May 1, 2034 (“Expiration Date”) provided that, Owner shall have the use of the Parking Spaces (as defined below) until December 31, 2034, as set forth in this Agreement. Owner shall be eligible to receive Credits based upon the increase in ad valorem tax value from the present ad valorem tax value during the period of time from the Effective Date to the Expiration Date (“Term”) subject to the terms of this Agreement.
5. Grants Contingent Upon Performance by Owner. The Total Town Grant Amount has been calculated based upon the assumption that by the Expiration Date, Owner shall have invested at a minimum a twenty-eight million dollars (\$28,000,000.00) new, taxable investment in Chapel Hill, NC (as defined below). Ad valorem property taxes assessed on the Project shall be timely paid and Town shall receive confirmation from the Orange County Tax Administration of such payment. Calculation of Grants:
 - a. *Grant*: The Town shall award a Grant to Owner in an amount up to two-hundred and eighty thousand dollars (\$280,000.00). The total value of grant credits will not exceed two-hundred and eighty thousand dollars (\$280,000.00) over the life of this Agreement. The grant shall be paid by the Town to the Owner one year after the Project has received its final certificate of occupancy.
 - i. Parking Credits. Up to two-hundred and eighty thousand dollars (\$280,000.00) can be used as a parking credit for spaces located in downtown Chapel Hill, with a maximum credit of fifty-six thousand dollars (\$56,000.00) per calendar year. Location and number of spaces will be determined annually and set for the following year as set forth in paragraph 5c below.

The Parties agree that the current annual fee of a parking space is one thousand seven hundred forty dollars (\$1,740.00) (one hundred forty-five dollars (\$145.00) per month times twelve (12) months). Parking fees are set by this Agreement and will not be affected by any Town parking changes.

Credit shall equal payment for Parking Spaces (as defined below) in each such calendar year. Should Owner fail to meet any of such requirements, the Credit shall be reduced in a pro rata amount by using the twenty-eight million dollars (\$28,000,000.00) as the denominator and the taxable value as the numerator. By way of example, assume the following:

Projected Investment: \$28,000,000.00

Percentage of Total: 100%

Project Credit: \$280,000

Projected Annual Credit: \$56,000

Actual Investment: \$25,000,000.00

Percentage of Total: 89.26%

Pro rata Credit: \$250,000

Pro rata Annual Credit: \$50,000

- b. *Certification.* Certification of the Owner's investment will be measured by the increase in ad valorem tax value from the present ad valorem tax value of PINs 9788279700, 9788279667, 9788370721, 9788370647, 9788370577, 9788370535, 9788370680, and 9788370549 ("Property") one year after the Project has received its final certificate of occupancy.
- The Parties agree that the current tax value of the Property is five million six hundred fifty-seven thousand five hundred dollars (\$5,657,500).
- c. *Parking Spaces.* The Town will provide Owner the exact location and number of the parking spaces; and will make reasonable efforts that such location shall be no greater than one half (0.50) miles from 108 W. Rosemary St., Chapel Hill, NC, 27516 ("Parking Spaces"). The location and number of Parking Spaces for each calendar year of the Term, after the first calendar year, shall be determined by December 1st of the immediately preceding calendar year.
6. Amendment, Modification and Termination. The terms of this Agreement may be amended, modified, or terminated by written agreement of the Parties. In the event Owner is unable to meet the
7. Recordation/Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their successors, and assigns.
8. Disclaimer of Joint Venture, Partnership and Agency. This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Town and Owner, or to impose any partnership obligation or liability upon the Parties. Neither the Town nor Owner shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent of representative of, or to otherwise bind, the other Party.
9. Construction. The Parties acknowledge and stipulate that this Agreement is the product of mutual negotiation and bargaining and that it has been drafted by counsel for the Parties.

As such, the doctrine of construction against the drafter shall have no application to this Agreement.

10. Governing Law. This Agreement and all obligations arising out of it shall in all respects be governed by and shall be construed in accordance with the laws of the State of North Carolina and any and all suits or actions related to this Agreement shall be brought exclusively in Orange County, North Carolina.
11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and such counterparts shall constitute one and the same instrument.
12. Authority. Each Party represents and warrants that it has undertaken all actions necessary for approval, execution and delivery of this Agreement, and that the person signing this Agreement has the authority to bind such Party.
13. Notice. The payment to the Owner and written notices pursuant to this Agreement shall be mailed or otherwise delivered to:

CHAPEL HILL VENTURES LLC.

Attn: _____

[ADDRESS 1]

[CITY, STATE, ZIP]

[EMAIL]

When a notice is required or permitted by this Agreement, it shall be given by written notice to the Parties by delivery to:

Town of Chapel Hill

Attn: Town Manager

405 Martin Luther King, Jr. Blvd.

Chapel Hill, NC 27514

tvoorhees@townofchapelhill.org

Either Party may update the notices information above by delivery of a written notice to the other Party.

14. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions of this Agreement unless the provision invalidated is so fundamental to this Agreement that this Agreement shall fail of its essential purpose without the provision that was invalidated.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto cause this agreement to be executed in their respective names.

CHAPEL HILL VENTURES LLC

SIGNATURE

PRINTED NAME & TITLE

TOWN OF CHAPEL HILL

DEPARTMENT HEAD/EXECUTIVE DIRECTOR OR DEPUTY/TOWN MANAGER

PRINTED NAME & DEPARTMENT

ATTEST BY TOWN CLERK:

TOWN CLERK/DEPUTY TOWN CLERK

TOWN SEAL

Town Clerk attests this the, , day of, , 20, , .

Approved as to Form and Authorization

ATTORNEY FOR TOWN

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

FINANCE OFFICER

DATE

EXHIBIT A

