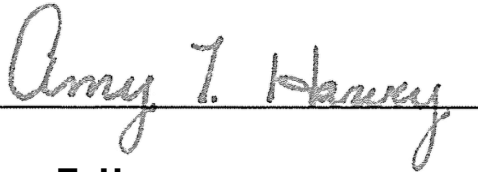


**I, Amy T. Harvey, Deputy Town Clerk of the Town of Chapel Hill, North Carolina, hereby certify that the attached is a true and correct copy of (2024-06-17/R-3) adopted by the Chapel Hill Town Council on June 17, 2024.**



**This the 18th day of June, 2024.**



**Amy T. Harvey  
Deputy Town Clerk**

**A RESOLUTION MAKING FINDINGS OF FACT IN SUPPORT OF AND AUTHORIZING THE TOWN MANAGER TO APPLY FOR LGC APPROVAL AND EXECUTE A LEASE AT 7300 MILLHOUSE ROAD FOR TOWN OFFICES (2024-06-17/R-3)**

WHEREAS, Town staff has worked diligently to find a suitable location for the Police Department and has identified space at 7300 Millhouse Road to serve as the new police headquarters, an emergency operations center, and IT department—critical co-located operations; and

WHEREAS, the proposed project is necessary and appropriate for the Town under all the circumstances. Construction of a new facility to serve the same purpose would be more costly, take several years to build, while serving the same purpose; and

WHEREAS, the estimated sums to fall due under the proposed contract are adequate and not excessive for the proposed purpose. The Town will closely review proposed rates against market rates with guidance from the LGC. All amounts paid will reflect either approved contracts, previous actual expenditures, or professional estimates; and

WHEREAS, as confirmed by the Town’s Finance Officer, (i) the Town’s debt management procedures and policies are sound and in compliance with law, and (ii) the Town is not in default under any of its debt service obligations; and

WHEREAS, given the Town’s need for the project, the Council believes that the effect on the Town’s budget and the tax rate from the lease will be reasonable under all the circumstances. Town staff expects no actual increase in taxes to result from this transaction. The Council will work to minimize the tax rate impact in a manner consistent with moving forward with the project and addressing the full range of Town needs; and

WHEREAS, the Town Attorney is of the opinion that the proposed project is authorized by law and is a purpose for which public funds of the Town may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE,

**1. The Chapel Hill Town Council RESOLVES, as follows:**

a. The Town makes a preliminary determination to lease approximately 60,000 square feet at 7300 Millhouse Road, Chapel Hill, NC 27514 for use as the new police headquarters, an emergency operations center, and IT department.

b. The Council authorizes the Mayor and the Town Manager, or either of them, to execute and deliver a final form lease. The execution and delivery of the final form lease by an authorized Town officer will be conclusive evidence of that officer’s approval of any changes.

c. The lease in final form, however, must be consistent with the plan and parameters described in this resolution. In particular, the lease must be for not more than 60,000 square feet, for a term of not more than 15 years from the rent commencement date, and call for a first-year rent of not more than \$1,370,000, subject to escalators, management fees, and tenant assessments as customary for similar leases.

**2. The Council makes the following findings of fact in support of the Town's application to the LGC:**

(a) The proposed project is necessary and appropriate for the Town under all the circumstances. Construction of a new facility to serve the same purpose would be more costly, take several years to build, while serving the same purpose.

(b) The estimated sums to fall due under the proposed contract are adequate and not excessive for the proposed purpose. The Town will closely review proposed rates against market rates with guidance from the LGC. All amounts paid will reflect either approved contracts, previous actual expenditures, or professional estimates.

(c) As confirmed by the Town's Finance Officer, (i) the Town's debt management procedures and policies are sound and in compliance with law, and (ii) the Town is not in default under any of its debt service obligations.

(d) Given the Town's need for the project, the Council believes that the effect on the Town's budget and the tax rate from the lease will be reasonable under all the circumstances. Town staff expects no actual increase in taxes to result from this transaction. The Council will work to minimize the tax rate impact in a manner consistent with moving forward with the project and addressing the full range of Town needs.

(e) The Town Attorney is of the opinion that the proposed project is authorized by law and is a purpose for which public funds of the Town may be expended pursuant to the Constitution and laws of North Carolina.

**3. Additionally, the Council resolves as follows:**

(a) The Council directs the Town Manager and the Finance Officer to take all appropriate steps toward the completion of the agreement, including completing an application to the LGC for its approval of the proposed lease. The Council ratifies all prior actions of Town representatives in this regard.

(b) This resolution takes effect immediately.

This the 17<sup>th</sup> day of June, 2024.