

**Interlocal Agreement Between the County of McDowell and the City of Marion
Concerning the Drexel Heritage Property**

WHEREAS, the former Drexel Heritage Property (hereinafter called “Drexel Property”) located on Blue Ridge Street in Marion (McDowell County Parcel Identification Number 1701.10-46-6003) has been an industrial site since the early 1900’s; and

WHEREAS, the former furniture plant on the Drexel Property has been partly demolished and a large amount of debris exists on the site, creating blight and a public health and safety hazard for the entire community; and

WHEREAS, the owner of the Drexel Property, Marion Property, LLC, is willing to donate the property to the County of McDowell (hereinafter called “County”) and the City of Marion (hereinafter called “City”); and

WHEREAS, the County and City desire to work together to clear the Drexel Property of debris and market it for productive use; and

WHEREAS, the County and City have been approved for a \$500,000 Community Development Block Grant by the North Carolina Department of Commerce to clear the Drexel Property, so that it can be marketed for industrial purposes; and

WHEREAS, certain conditions and terms need to be agreed upon regarding this project by the County and City.

NOW, THEREFORE BE IT RESOLVED AS FOLLOWS:

1. McDowell County and the City of Marion agree to take joint ownership, on a 50 percent County and 50 percent City basis, of the Drexel Property (McDowell County Parcel Identification Number 1701.10-46-6003) from Marion Property, LLC, once the Brownfield Agreement described in Paragraph 3 below is executed, relieving the County and City from any liability related to prior or existing environmental contamination on the Drexel Property.
2. McDowell County and the City of Marion agree to work together to select and contract with a professional consultant approved by the North Carolina Department of Commerce to write and administer Community Development Block Grant (CDBG) projects. The consultant will prepare and submit the full CDBG grant application for the Drexel project in accordance with CDBG rules and will administer the grant. It is agreed that the consultant’s fees will be charged to the CDBG grant to the extent permitted by CDBG rules.
3. McDowell County and the City of Marion agree to contract with the United States Environmental Protection Agency (US EPA) to complete a Phase 1 Environmental Assessment of the Drexel Property and then to execute a Brownfield Agreement with the US EPA to relieve the County and City from any liability related to prior

or existing environmental contamination on the Drexel Property. It is anticipated that the cost of the Brownfield Agreement will be approximately \$30,000 and it is agreed that the County and City will jointly fund, on a 50 percent County and 50 percent City basis, the costs of the Brownfield Agreement or charge such costs toward the CDBG grant local match, if permitted by the North Carolina Department of Commerce.

4. McDowell County and the City of Marion acknowledge that the required local match for the CDBG grant is 25 percent, or \$125,000, and that the anticipated costs of the removal of debris from the Drexel Property and the installation of a fence around the site is estimated to cost approximately \$750,000. The County and City agree that every effort will be made to separate beneficial fill that can be stored by the County at the County Transfer Station, thereby reducing the costs of the project.
5. McDowell County and the City of Marion agree to jointly fund on a 50 percent County, 50 percent City basis the cost of the Drexel Property cleanup and installation of a fence around the site, less the \$500,000 amount of the CDBG grant. The local share, which is anticipated to be approximately \$250,000, will be paid by the County and City equally through a five year installment financing contract to be entered into by the City of Marion, with the County and City making equal payments for the life of the loan.
6. McDowell County and the City of Marion agree that McDowell Economic Development Association will market the property exclusively for industrial development, subject to the requirements of the CDBG grant, for a minimum period of five years. Approval of both the McDowell County Board of Commissioners and Marion City Council will be required for any development of the property or for the sale or lease of the property, with the County and City receiving an equal share of the proceeds of any sale or lease of the property.
7. McDowell County and the City of Marion agree that uses of the Drexel Property other than industrial development may be considered after a five year period, subject to the requirements of the CDBG grant. The approval of the McDowell County Board of Commissioners and the Marion City Council will be required for any other use of the property, other than industrial development.
8. McDowell County and the City of Marion agree that the cleanup of the Drexel Property and the future development of the property will be done in compliance with all applicable Federal, State and local laws, ordinances and regulations.
9. McDowell County and the City of Marion will jointly fund, on a 50 percent County and 50 percent City basis, any other costs related to maintenance of the Drexel Property or any unforeseen costs related to the property. Such maintenance or unforeseen costs shall be approved by the County Manager and City Manager, or by the McDowell County Board of Commissioners and the Marion City Council, prior to being undertaken.

10. The City of Marion will add the Drexel Property to its property and liability insurance policy, with at least \$1 million in liability insurance coverage provided. If the costs of adding the Drexel Property to the City's insurance policy exceed \$100, McDowell County agrees to pay for one-half of the additional insurance cost annually.
11. If contractor bids for the cleanup of the Drexel Property exceed the \$750,000 amount that has been estimated, McDowell County and the City of Marion reserve the right to withdraw from this project and to inform the North Carolina Department of Commerce that the Community Development Block Grant will not be accepted, with the understanding that the County and City will equally repay any Community Development Block Grant funds expended to that point.
12. This Interlocal Agreement may be amended and the scope of the project changed at any time with the approval of both the McDowell County Board of Commissioners and the Marion City Council.

Adopted, this the 8th day of February, 2016 by the McDowell County Board of Commissioners and the 2nd day of February, 2016 by the Marion City Council.

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first above written.