

## TALKING POINTS

- The former North Towne Square Mall site has been vacant for 16 years. In 2011, the City took ownership of the property in order to leverage state and federal grants for environmental remediation and demolition. In exchange and consideration for the transfer of ownership for a nominal amount, the City granted the previous owners in return an option to purchase the property at the appraised value less the documented expenses related to demolition and holding expenses the City had invested in the property.
- In addition to the environmental remediation and demolition, the City was tasked with facilitating the mutual release of cross-access easements between the adjacent department store property (Super Fitness) and the City-owned parcel. The cross-access easements were originally in place to allow patrons to access all parts of the mall despite differences in property ownership. When the mall was demolished the cross-access easements were never released. Title to the City's Property remains encumbered and a deterrer to sale and redevelopment. Until now, the City has been unsuccessful in its efforts to effectuate the mutual release the cross-access easement.
- The Administration is proposing three ordinances that will reposition this property for sale and redevelopment:
  1. AmendmenttoNorthTowneOption – This ordinance authorizes an amendment to an Option to Purchase Real Estate Agreement with the original mall owners. The amendment has a term of 5 years and authorizes the City to sell 11.2-acres to Development 2002 in exchange for the mutual release of the cross-access easements, confirms offset costs as it relates to the City's expenses to be repaid from future sale proceeds and establishes a protocol for marketing and sale of the remaining 58-acre property.
  2. SaleofPortionofNorthTowne – This ordinance authorizes the sale of 11.2 acres to Development 2002 in exchange for the mutual release of the cross-access easements. The City will continue to own the 58-acre site and market it for redevelopment pursuant to the terms and conditions of the First Amendment to an Option to Purchase Real Estate Agreement (outlined above).
  3. North Towne TIF – This ordinance authorizes tax increment financing (TIF) for the 58-acre property that will be marketed for sale by the City. In addition to repositioning the property for redevelopment, the City has determined the public roadways that surround the site will need to be improved. TIF is an economic development tool that will leverage the increase in real property taxes that are created from a future project at the site to offset the City's expense to improve the public roadways.