



Legislation Details (With Text)

File #: O-067-21 **Version:** 1 **Name:**

Type: Ordinance **Status:** Approved

File created: 2/2/2021 **In control:** Economic Development Department

On agenda: 2/16/2021 **Final action:** 2/17/2021

Title: Authorizing the Mayor to enter into a Purchase and Sale Agreement with Development 2002 LLC. to execute and deliver needed instruments for the sale and conveyance of a 11.2-acre portion of city-owned real property known as the former North Towne Square Mall site, in the City of Toledo, Lucas County, Ohio; making certain findings with respect thereto; waiving the competitive bidding and advertising provisions of TMC 187.19; authorizing the deposit of net sale proceeds into the Capital Improvement Fund; and declaring an emergency.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A, 2. Talking Points

Date	Ver.	Action By	Action	Result
2/17/2021	1	City Council		
2/17/2021	1	City Council		
2/17/2021	1	City Council		

Sale of Portion of North Towne
 Economic Development
 B. Sehlhorst (x1692) / P. Syring (x1025)

Authorizing the Mayor to enter into a Purchase and Sale Agreement with Development 2002 LLC. to execute and deliver needed instruments for the sale and conveyance of a 11.2-acre portion of city-owned real property known as the former North Towne Square Mall site, in the City of Toledo, Lucas County, Ohio; making certain findings with respect thereto; waiving the competitive bidding and advertising provisions of TMC 187.19; authorizing the deposit of net sale proceeds into the Capital Improvement Fund; and declaring an emergency.

SUMMARY & BACKGROUND:

The North Towne Square Mall opened in 1980 and closed in 2005. Between 2005 and 2011 the former mall structure fell in to an extreme state of disrepair. The City negotiated an agreement with the owners that addressed blighted and hazardous conditions and secured its investment by taking title to the mall site (“Property”). Pursuant to Ordinance 537-11, the City entered into a Development Agreement and Real Estate Purchase Option Agreement with the owners of the site. The City acquired the Property and remediated and demolished the structure using brownfield remediation funding from the U.S. EPA and Racetrack Redevelopment Funding from the Ohio Development Services Agency. In exchange and in consideration for the transfer of title for a nominal amount, the mall owners were granted in return an option to re-purchase the property at appraised value less the documented costs related to demolition and holding expenses. Since 2011, the Property has remained vacant without real potential of redevelopment primarily because of cross-access easements between the city-owned parcel and an adjacent property. The property owned by Development 2002,

LLC was a former department store that was attached to the mall complex. It is now home to Super Fitness, a popular health and fitness center. The cross-access easements were originally in place to allow mall patrons to access all parts of the mall despite differences in property ownership. The cross-access easements were never released. Title to the City's Property remains encumbered and a deterrer to sale and redevelopment.

The city of Toledo is the fee simple owner of certain real property referred to as the former North Towne Square Mall property located at 301 New Towne Square Dr., (Parcel ID 22-43581) and 220 Mel Simon Dr. (Parcel ID 22-43594) Toledo, Ohio and further identified in Exhibit A ("Property").

In exchange for the mutual release of the cross-access easements by Development 2002 LLC ("Purchaser") and the Option Holders, the City will split and convey 11.2 acres of real property to the Purchaser for \$10.00 per acre. The mutual release, parcel split and conveyance of property will facilitate the further sale and redevelopment of the balance of the site.

The fiscal impact of this ordinance is as follows:

- The amount of funds requested: None
- New revenue generated (operational revenue, grants, if any): \$112.00
- Revenue budget line item (if any): 5040-16400-5661001STDSTD
- Are funds budgeted in the current fiscal year (yes/no)?: Not applicable
- Is this a capital project (yes/no)? No
- If yes, is it new or existing (new/existing)? Not applicable
- What section of the City's Strategic Plan does this support:
 - o Excellence in Basic Services (yes/no) No
 - o Quality Community Investment (Livable City, Development) (yes/no) Yes
 - o Workplace Culture & Customer Service (yes/no) No
 - o Environment (yes/no) No

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the Mayor is authorized to enter into a Purchase and Sale Agreement ("Agreement") with Development 2002 LLC for the sale and conveyance of 11.2± acres of city-owned property, having addresses of 301 New Towne Square Dr., (Parcel ID 22-43581) and 220 Mel Simon Dr. (Parcel ID 22-43594), Toledo and as described in Exhibit A (the "Property") at a sale price of (ten dollars) \$10.00 per acre. The Agreement shall be in substantial form with such additional terms and conditions or modifications as shall be approved by the Mayor and the Director of Law as being in the best interests of this City, and in keeping with the findings, determinations and purposes of this Ordinance, with the execution by the Mayor of the Agreement being conclusive evidence of such approvals; and no further action relating thereto shall be required by Council.

SECTION 2. That Council finds and determines that the Property to be sold or otherwise disposed of pursuant to the terms of the Agreement is real property which is not needed by the City for any municipal purpose; that the disposition thereof to Development 2002 LLC in accordance with the Agreement is necessary to create or preserve jobs and other employment opportunities in the region and to improve the economic welfare of the people of the City of Toledo and is in the best interests of the City; that disposition of the Property by negotiation pursuant to the Agreement is the appropriate method of making it available for development; that the negotiated sales price is a fair and reasonable value for the Property for the purposes of development in accordance with the terms of the Agreement.

SECTION 3. That this Council approves the Agreement and other described agreements and documents required to pursuant to the Agreement, including the sale of the Property provided for therein, notwithstanding and as an exception to the competitive bidding and advertising provisions of Chapter 187 and other provisions of the Toledo Municipal Code. The reason therefore is that sale to Development 2002 LLC will help facilitate new business investment and create new jobs, which is in the best interest of the citizens.

SECTION 4. That the Finance Director is authorized to accept and deposit the net sale proceeds into the Capital Improvement Fund, Account Code 5040-16400-5661001STDSTD.

SECTION 5. That the Mayor is authorized to execute and deliver such deeds, certifications, documents and instruments necessary to carry out the terms of the Agreement; that the Director of Law, the Director of Finance, the Clerk of Council and other appropriate officials of this City are authorized to enter into, execute and deliver such other agreements, instruments, documents and certificates and to take such other lawful action as may be necessary or appropriate in order to further implement the Agreement and to further evidence the various matters approved and authorized by this Ordinance.

SECTION 6. That it is found and determined that all formal actions of Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of Council and that all deliberations of Council and any of its committees that result in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 Ohio Revised Code.

SECTION 7. That this Ordinance is declared to be an emergency measure and shall take effect and be in force immediately from and after its passage. The reason for the emergency lies in the fact that the same is necessary for the immediate preservation of the public peace, health, safety and property, and for the further reason that this Ordinance must be immediately effective to facilitate the execution and delivery of the Agreement and conveyance of the above described Property so that marketing of the remaining parcel may commence and continue immediately, thereby creating an opportunity to create or preserve jobs and other employment opportunities and improving the economic welfare of the citizens of the City and surrounding area.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

_____.

Attest: _____
Clerk of Council