



Legislation Text

File #: O-066-21, **Version:** 1

Amendment to North Towne Option
Economic Development
B. Schlhorst (x1692) / P. Syring (x1025)

Authorizing the Mayor to enter into a First Amendment to an Option to Purchase Real Estate Agreement with 22135 Roscoe Canoga Park, LLC and Alexis Property LLC for the purpose of facilitating the sale and conveyance of a 11.2-acre portion of city-owned real property known as the former North Towne Mall site to Development 2002 LLC; making certain findings with respect thereto; 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 the 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 deterrent to sale and redevelopment.

In order to prepare this Property for redevelopment and provide the City, and prospective buyers, the certainty required to enter into good faith discussions to sell the property, the City is proposing to amend the 2011 Option to Purchase Real Estate Agreement. The First Amendment to an Option to Purchase Real Estate Agreement will establish a protocol for the mutual release of the cross-access easements, establish the offset costs as it relates to the City's expenses to be repaid from the sale proceeds, and establish agreed upon conditions for marketing and sale of the remaining 58-acre property.

The fiscal impact of this ordinance is as follows:

- The amount of funds requested: None
- New revenue generated (operational revenue, grants, if any): None
- Revenue budget line item (if any): Not Applicable
- 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) Yes

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

SECTION 1. That the Mayor is authorized to enter into a First Amendment to an Option to Purchase Real Estate Agreement with 22135 Roscoe Canoga Park, LLC and Alexis Property LLC and to execute and deliver the needed instruments to release cross access easements which are necessary to facilitate the sale and conveyance of a 11.2-acre portion of city-owned Property to Development 2002 LLC and establishing terms and conditions for the marketing and sale of the balance of the site. The First Amendment 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 the City, and in keeping with the findings, determinations and purposes of this Ordinance, with the execution by the Mayor of the Amendment being conclusive evidence of such approvals; and no further action relating thereto shall be required by Council.

SECTION 2. 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 3. 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