



Legislation Text

File #: O-556-21, **Version:** 1

Sale of North Towne
Department of Economic Development
B. Sehlhorst (x1692)

Authorizing the Mayor to enter into a Purchase and Sale Contract with NorthPoint Development, LLC, to execute and deliver needed instruments for the sale and conveyance of 60 acres of city-owned real property known as the former North Towne Square Mall property, 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 the appropriation of same; and declaring an emergency.

SUMMARY & BACKGROUND:

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 IDs 22-43581, 22-43594) Toledo, Ohio and further identified in Exhibit A ("Real Property").

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. 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.

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 entered into an amendment the 2011 Option to Purchase Real Estate Agreement, pursuant to Ordinances 066-21 and 067-21. The First Amendment to an Option to Purchase Real Estate Agreement established a protocol for the mutual release of the cross-access easements, established the offset costs as it relates to the City's expenses to be repaid from the sale proceeds, and established agreed upon conditions for marketing and sale of the remaining 60-acre property.

As a result of the City's proactive efforts to assemble and prepare this site for redevelopment, the City is proposing to enter into a Purchase and Sale Contract with NorthPoint Development, LLC, for the sale and conveyance of the 60-acre property to develop an industrial park. The developer intends to break ground in 2022 on construction of a 295,360 square foot spec industrial building. The purchase price for the property is (forty-five thousand) \$45,000 per acre.

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 Contract ("Contract") with NorthPoint Development, LLC, for the sale, conveyance and development of 60± acres of city-owned property, having an address of 301 New Towne Square Dr., Toledo and as described in Exhibit A (the "Real Property") at a sale price of \$45,000 (forty-five thousand) per acre. The Contract shall be in substantial form as provided in Exhibit B 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 Contract 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 Real Property to be sold or otherwise disposed of pursuant to the terms of the Contract is Real Property which is not needed by the City for any municipal purpose; that the disposition thereof to NorthPoint Development, LLC, in accordance with the Contract 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 Real Property by negotiation pursuant to the Contract is the appropriate method of making it available for development; that the negotiated sales price is a fair and reasonable value for the Real Property for the purposes of development in accordance with the terms of the Contract.

SECTION 3. That this Council approves the Contract and other described agreements and documents required to pursuant to the Contract, including the sale of the Real 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 NorthPoint Development, LLC, will generate new business investment, create new jobs and 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 in the estimated amount of \$400,000.

SECTION 5. That the appropriation of \$400,000 is authorized from the unappropriated balance of the Capital Improvement Fund to Account Code 5040-16400-8CP2148DEVPRO for future site procurement and site development projects.

SECTION 6. That the Mayor is authorized to execute and deliver such deeds, certifications, documents and instruments necessary to carry out the terms of the Contract; 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 Contract and to further evidence the various matters approved and authorized by this Ordinance.

SECTION 7. 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 8. 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 Contract and conveyance of the above described Real Property so that the development may commence and continue immediately, thereby creating or preserving 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