

# Downtown Redevelopment

Land Transactions

North and South Redevelopment

# North Land

- Dial agreed to negotiate and purchase property within the North Project Area.
- City agreed to purchase property if Dial is unable to acquire within the North Project Area.
- Dial agreed to purchase bonds from City to finance land acquisition.
  - Dial owns the North Project Land either through the bonds they have financed from the City; or have privately financed.

# North Land continued

- All the North land will be transferred to the City and then back to Dial at some point in time.
  - This allows the North Land to be eligible for Tax Increment Financing
- Dial and City agreed to a \$15.8 million budget for the North land acquisition.
- Dial agreed to pay the City \$2 million for transferring the land back to Dial for redevelopment.
- Dial will building residential and retail on the property to create an increase in property tax and sales tax – which will go towards paying off the bonds issued to finance land acquisition.
- Dial will hold and finance bonds until they become marketable and sold to another bond investor.

# North Land continued

- If land costs exceed \$15.8 million, the City will use its \$2 million to finance excess. If acquisition exceeds \$17.8 million, Dial and City split costs 50/50.
- City and Dial negotiated the \$2 million acquisition of the North land based on appraised value, costs to bring site to a point of construction, and risk Dial assumed in financing the initial bonds.

# South Land

- Dial agreed to negotiate and purchase property within the South Project Area.
- City agreed to purchase property if Dial is unable to acquire within the South Project Area.
- State Legislature in 2006 ended the City's ability to use eminent domain to acquire property for economic development purposes.
  - This took effect July 1, 2007.
- City forced to reconsider South Project and STAR Bonds in light of legislative change.

# South Land continued

- City decided to proceed with land acquisition and acquire all South property before July 1, 2007.
- Dial negotiated purchase contracts with 19 of the 23 owners.
- City condemned 4 properties within the South Project Area in June of 2007.
- City purchased the remaining properties in January 2008 from the purchase contracts negotiated by Dial.
- City financed a total of approximately \$16 million in land acquisition on South.
  - This land cost is expected to have a revenue source of STAR Bonds (\$12 M).
  - City and Dial will split the amount over \$12 M on a 50/50 basis
- City and Dial have agreed to transfer private property on the South for private development in the amount of \$700,000.
  - Land price was negotiated based on sq. ft. property transfer on the North