

# Memorandum



**To:** Mayor and Town Council

**From:** Ryan Spitzer

**Date:** 10/24/2024

**Re:** PSA for Cone Mill

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## **Overview:**

Town Council directed staff to begin working with a buyer on a Purchase and Sale Agreement (PSA) for the Cone Mill property that will redevelop the property for a mix of commercial and townhome uses. Staff have completed a draft PSA with the buyer for Council's approval. The terms of the PSA are outlined below.

Typically, when the Town holds a Public Hearing for a third party developer looking to develop on a private property in town the following are required by the town at the time of the Public Hearing: site plan, landscape plan, elevations, parking count, unit count, and a traffic study.

## **Time Periods**

**Purchase Price:** \$5,000,000 due at Closing

**Effective Date:** Signing of the PSA

**Brownfields Period:** 270 days (9 months) after Effective Date with the option of 3, sixty-day extensions (6 months).

**Examination Period:** Initial period of 90 days (3 months) with two 30-day extensions (2 months) after the Effective Date

**Permitting Period:** 90 days (3 months) after the Examination Period

**Closing Date:** The earlier of 30 days after the receipt of all required permits or 30 months after the Effective Date. The Closing Date gets extended on a day for day basis if the Brownfields period extends past the initial 270 days.

## **Section 33 – Brownfields**

A new Brownfields Agreement has to applied for due to the addition of townhomes. The buyer is paying for the application and additional work and will also pay for up to portion of the town's attorney fees. The town will remain the applicant in case the buyer does not complete the project to make transfer of the information easier. If the town defaults and causes the buyer to terminate the project the town has to pay the buyer up to \$100,000 for work completed on the Brownfield

Agreement. A new brownfields agreement will take between 9-15 months. If the buyer does not obtain the Brownfield Agreement prior to the end of 15 months, the town can terminate the PSA.

### **Section 6 – Examination of Property (Examination Period)**

1. The Buyer can terminate the agreement for any reason during this time with a penalty.
2. Buyer and Town must agree to a Public-Private Joint Development Agreement that outline the public improvements that will be made to the property and the dedication of property to the Town.
3. If not already done the Buyer must schedule a Public Hearing within this period and get approval from Town Council for the project.

### **Section 28 – Permitting Period**

The Buyer must use commercially responsible efforts to get approvals on the site plan, utility, transportation, zoning, and permitting.

### **Current Site Specific Requirements:**

- Only 10% of homes can be rentals
- Up to six (6) food trucks in commercial development for 365 days
- No businesses allowed in townhomes
- Approval by Council for a Joint Development Agreement
  - Widen the street
  - Widen the sidewalks on Dover
  - Designated Public Parking
  - Park(s) developed for the town

Town Council should decide if there are any other site-specific requirements they would like to see in the development.

### **Outstanding Issues:**

- Front load townhome elevation
- Signage requested for smokestack
- Location of public parking

This is the first step in the process and there are protections within the PSA that allows Town Council to stop the project. After the approval of the PSA, Town Council has 45 days to hold a Public Hearing to officially provide the buyer access and ability to do work necessary on the property and to hear from the public on the sale of the property. The Public Hearing serves the same purpose as all other public hearings that come before Town Council for approval of projects and for citizens to provide input.