

Memorandum



To: Mayor and Town Council
From: Ryan Spitzer
Date: 11/7/2025
Re: Cone Mill Development – Brownfields Extension

Overview:

The buyer of Cone Mills had to update the current Brownfields Agreement with NCDEQ to see if they would be able to construct townhomes on the site. They have submitted the testing and reports to NCDEQ. NCDEQ has stated it would take until the end of Q1 in 2026 (March 2026) to have a determination on the testing back. It would then take the Town and buyer at least two months to review NCDEQ's determination and to negotiate any of the outcomes that were unforeseen. However, the report did not show anything that was unexpected or that was not in the original Brownfields analysis that the Town did several years ago.

The current agreement between the buyer and Town has the Brownfields Agreement needing to be agreed upon and completed by January 17, 2026. This was the last extension they could ask for per the agreement. With NCDEQ stating they will not be able to have a determination by this date, the buyer is asking for an extension. Town staff agrees with this request and suggest extending the Brownfields Agreement finalization until the end of Q2 in 2026 (June 2026). Town staff is also suggesting that Town Council require the buyer to put down a certain amount of money that will be "hard" for granting the extension. The buyer has said they are willing to put \$10,000 down for the extension; however, Town Council can ask for more if you all think granting the extension is costing the town more given the value of time.

The Closing date is still set for April 23, 2027, in the PSA. This is when the buyer will have to pay the Town. Staff is not recommending changing this date. With NCDEQ stating they will have their report done by the end of Q1 of 2026, this will still give the buyer 12 months to go through permitting.