

007/10/2000 10:47 AM 100 300 0100 GIBSON & SONDRALL, P.A. 0000

Based on the appraisal of the property made for the City, the rough value for acquisition and waiver of relocation would be \$4,100,000. A sale back of the land would be priced at an amount calculated to represent the value of vacant land. Re-conveyance, as indicated above, would be part of a development agreement that would specify the specific development construction and type of operations that would occur. The exciting concepts that were first proposed for the creation of an architecturally significant Asian Market Place development would be the type of development that would support the City's redevelopment goals. City staff would be in a position to recommend to the EDA the acquisition of your current site and a redevelopment agreement that would require the construction of an Asian Market Place development, with all new construction with a site plan and description that would be mutually acceptable and capture the significant retail draw represented by distinctive architecture and unique retail draws. City staff would also be prepared to recommend to the EDA the outright acquisition of your current property for \$3,600,000 in both payment and relocation without a development agreement, leaving your fee to pursue a replacement location of your choice. City staff would certainly work with you in terms of identifying alternate sites in Brooklyn Center if possible, but you would be under no obligation to relocate or reestablish and would simply receive the proceeds of the acquisition. The City would then proceed to redevelop your current site with another developer.

Over the past two plus years, substantial and important reviews have undertaken with the market study and environmental studies. A number of exiting concept plans have come out of that process. At this juncture, I believe it is important for both you and the City to determine the specific course that should be undertaken. The basic options would be:

- 1) Acquisition of your current property by the EDA for an agreed upon sum and the demolition of the existing structures, environmental remediation, and reconveyance of the property based upon a detailed development agreement that provided for a substantial and aesthetically designed commercial development upon a specific timeline and to specific standards of materials and landscaping. A reconveyance would be structured as required to comply with applicable tax increment laws and requirements.
- 2) Acquisition of your current property by the EDA for an agreed upon sum with no redevelopment agreement between the EDA and current ownership. This would result in payment of a lump sum that could be used in any fashion current ownership desired. The EDA would proceed to redevelop the property itself.
- 3) Acquisition of your current property by the EDA for an agreed upon sum and a detailed development agreement that provided for a substantial and aesthetically designed commercial development upon a specific timeline and to specific standards of materials and landscaping for a different location in Brooklyn Center. This option would require a scale of development necessary to support the acquisition of a suitable site for a larger scale development proposal.

If you and Mr. Lee would like to enter into negotiations to effectuate one of these options, I would be very interested to begin that process. The 2nd option is a straightforward acquisition that would require a mutual agreement on purchase price and timing of acquisition. The other two options would require a specific site plan and description of materials to be used, tenant mix, architecturally supported cost estimates, and evidence of financial resource commitments sufficient to construct the development. Please advise if you