

What You Should Know About....

Crosland Southeast Plan to Revitalize “Mall” Property and TIF

Summary:

*Oak Ridge is getting an \$80 Million capital investment in exchange for the tax forgiveness of \$12 Million in **future** property taxes, which would not be collected otherwise. No financial risk for the taxpayer!*

The Facts:

1. Crosland Southeast has completed projects similar to this one.
2. At one time, the “Mall” property was valued for property tax estimates at \$60 Million.
3. Currently the “Mall” property is valued at just under \$5.9 Million. Not only does this value impact the amount of property taxes the current owner pays to Oak Ridge and Anderson County, it also impacts the value of all property in Oak Ridge and Anderson County.
4. Crosland Southeast and others are expected to invest in excess of **\$80 Million** to complete the project.
5. Sales estimates/per year are: \$79M. Sales tax/year estimates are expected to benefit:
 - a. City of Oak Ridge - \$1,080,000/year
 - b. Oak Ridge Schools - \$375,000/year
6. When the Crosland Southeast proposed development is complete, approximately **950 to 1000 NEW jobs** will have been created.
7. A TIF of approximately \$12 Million is needed.
 - a. The tax forgiveness is expected to take up to 20 years.
 - b. No risk to the IDB, City of Oak Ridge, Anderson County or taxpayersall risk is the developers.**
 - c. TIF is only property tax. Sales tax is NOT subject to the TIF.
 - d. It is an Enhanced TIF, a new option passed by the Tennessee General Assembly last year, which gives more flexibility on what can be paid for with the funds.
8. TIF has to be approved by three bodies (Industrial Development Board, Oak Ridge City Council and Anderson County Commission) Briefings with elected officials are underway. Approval of the TIF will be addressed at the following meetings.
 - a. ~~Industrial Development Board – October 24~~ – DONE!
 - b. *Oak Ridge City Council*- **November 11**
 - c. *Anderson County Commission* – Operations Committee on **November 4**; Budget Committee on **November 7**; and Anderson County Commission on **November 18**
9. Once TIF is approved, the real estate closing on the property will be scheduled for the 1st quarter of 2014; demolition to begin by June 2014.
10. Retail space will be built all at the same time by Crosland. The stores will likely open late 2015. The hotel, out parcels, office and residential will be sold to others for development, and build out timeframe is to be determined.
11. The development will attract customers from surrounding counties, not just Oak Ridge.