

# City approves mall incentive plan

Agreement would let companies recoup part of redevelopment costs

07:10 AM CDT on Wednesday, August 17, 2011

By Lowell Brown / Staff Writer

The Denton City Council on Tuesday approved a \$9.5 million incentive agreement meant to spur the redevelopment of Golden Triangle Mall.

The council voted 6-0 to approve the agreement with two Dallas-based companies that plan to buy and renovate the mall at Loop 288 and Interstate 35E. Council member Chris Watts was absent.

The agreement will allow the proposed mall owners, the MGHerring Group and Cencor Realty Services, to recoup some of their investment over time through new sales taxes generated at the mall. The companies recently formed GTM Development Ltd. as a joint venture to buy and redevelop the mall.

Renovations are scheduled to start by the end of the year with a grand reopening planned for fall 2012, the companies said in a news release. Planned improvements include a new exterior facade, redesigned entrances, new signs and lighting, updated tenant storefronts, a food court, some new stores and restaurants, and renovated common areas.

The city incentive was critical to the project moving forward, said Gar Herring, president of the MGHerring Group.

“It’s money that has to fill the void to make the project financially viable for investors to invest,” Herring told council members.

Mayor Mark Burroughs said the mall stands as a gateway to Denton and that allowing it to close would be “unthinkable.”

Dallas-based sister companies Cencor and the Weitzman Group have managed and handled leasing at the mall since September. JPMorgan Chase & Co. hired the firms after buying the mall for \$19.4 million during foreclosure proceedings in July 2010.

Linda Ratliff, the city’s economic development director, announced during the meeting that the companies had already succeeded in luring an In-N-Out Burger as a future mall tenant.

“These two groups have had many successes,” Ratliff said. “We’re excited they are the ones to purchase Golden Triangle Mall.”

The city based the incentive on the average monthly sales tax receipts generated at the mall last year.

Under the agreement, if sales tax receipts exceed the \$95,898 monthly average, the city would send half of the extra revenue to GTM Development. If receipts fall below the monthly average, the company would receive nothing.

The agreement would kick in once GTM Development spends \$9.5 million on specific improvements, including a new roof, parking lot upgrades, and new signs and landscaping. The agreement would end if the company failed to invest at least \$45 million in the mall by Oct. 1, 2014.

Company officials say they expect to invest \$60 million in the project.

The incentive would be capped at \$9.5 million or 20 years, whichever comes first.

Representatives of the companies appeared before the council in May offering a broad outline of the renovation project and a public-private partnership to help fund it. The council discussed the agreement in several closed-door sessions this summer, including one Tuesday.

Built in 1980, the 765,000-square-foot mall was previously owned by Simon Property Group and Feldman Mall Properties.

The shopping center is anchored by J.C. Penney, Dillard's, Macy's and Sears.

*LOWELL BROWN can be reached at 940-566-6882. His e-mail address is [lmbrown@dentonrc.com](mailto:lmbrown@dentonrc.com).*