

The Tallahassee Mall

**FMP Tallahassee, LLC
Feldman Mall Properties
Redevelopment Project**

About Us

Feldman Mall Properties

Feldman Mall Properties, Inc. is a real estate investment trust, or REIT, that acquires, owns and repositions enclosed regional shopping malls. The Company's portfolio consists of seven regional malls aggregating approximately seven million square feet. Feldman Mall Properties, Inc. is the only publicly held REIT that specializes exclusively in the renovation and repositioning of enclosed regional shopping malls. Feldman Mall Properties' investment strategy is to opportunistically acquire underperforming malls. The Company's goal is to transform all of its malls into physically attractive and profitable Class A malls through comprehensive renovation and re-tenanting efforts aimed at increasing shopper traffic and tenant sales. For more information regarding Feldman Mall Properties, Inc., visit the Company's website at www.feldmanmall.com.

The Problem

- The North Monroe Street quadrant of the City of Tallahassee has been on a gradual decline for the past few years. Absent private sector and governmental cooperation and assistance, the existing properties and tax base will continue on a gradual decline. Major retailers have already announced their intent to leave the business district. We must guard against the destruction of the "Inner City" that has befallen so many cities throughout the U.S. Competition from areas outside the city will continue to cause a decline in this area.

Analysis

- If government sectors and private resources are not marshaled in order to redefine and redevelop the area, the result will be a definitive decline in commercial values, tax revenues and deterioration of one of the major gateways into Tallahassee.

September 18, 2007

Leon County Commission Meeting

Meeting objectives:

- **Direct staff to work with Feldman Mall Properties to develop a plan within 30 days to support, partnership and redevelop the Tallahassee Mall and the North Monroe Street corridor.**

September 18, 2007

Leon County Commission Meeting

Meeting objectives:

- **Direct staff to study the inclusion of the Tallahassee Mall property in a Community Redevelopment Area.**

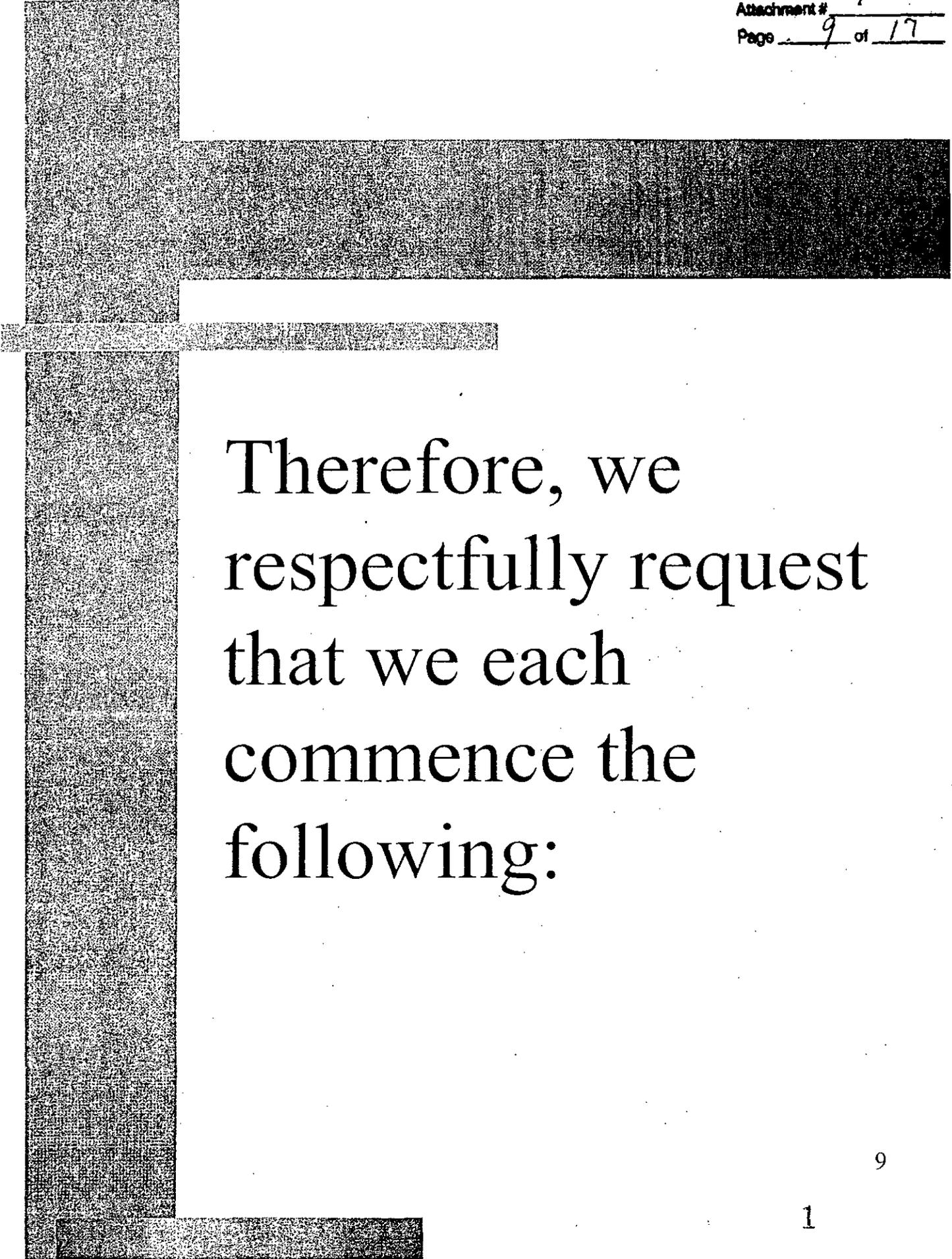
August 23, 2007 Meeting

City of Tallahassee meeting Attendees:

- Edward Feldman, FMP Tallahassee, LLC
- Steven Darby, General Manager,
Tallahassee Mall
- Robert N. Sechen, Blank & Meenan, P.A.
- John Marks, Mayor
- Anita Favors Thompson, City Manager
- Michael Wright, Assistant City Manager,
Development and Transportation
Services
- Michael Parker, Economic Development
Director

Project Goals

- **The creation of a public/private redevelopment plan with Leon County and the City of Tallahassee**
- **Amend or create tax increment financing (“TIF”) districts to include the Mall properties**



Therefore, we respectfully request that we each commence the following:

September 18, 2007

Leon County Commission Meeting

- **Feldman Mall Properties will commence, with the help of the City and County, the process to attract major national tenants and develop the detailed plans and working drawings necessary to implement the redevelopment of the Tallahassee Mall.**

September 18, 2007

Leon County Commission Meeting

- **Feldman Mall**
Properties will acquire and make available sufficient funding, when combined with City and County resources, to implement the redevelopment of the Tallahassee Mall.

September 18, 2007
Leon County Commission Meeting

- **Direct staff to work with Feldman Mall Properties to develop a plan within 30 days to support, partnership and redevelop the Tallahassee Mall and the North Monroe Street corridor.**

September 18, 2007
Leon County Commission Meeting

- **Direct staff to study the inclusion of the Tallahassee Mall property in a Community Redevelopment Area.**

Team/Resources

- Edward Feldman, Team Leader
- Robert N. Sechen, Blank & Meenan, P.A.
- Leon County Coordinator
- City of Tallahassee Coordinator
- Economic Development Council

September 18, 2007
Leon County Commission Meeting

Thank you

Feldman Mall Properties, Inc.



Swatara Township

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August 23, 2007

Mr. Robert Sechen
Blank & Meenan
204 South Monroe Street
Tallahassee, Florida 32302-3068

Dear Mr. Sechen:

I am writing to you at the request of Mr. Edward Feldman of Feldman Mall Properties. The intent of this letter is to briefly describe the conditions that prevailed at the time of the purchase of the Harrisburg Mall by Feldman Mall Properties and the redevelopment success that has resulted from Swatara Township's relationship with Feldman Mall Properties.

The then "Harrisburg East Mall" was a property that was up for sale a number of times and the owner, Prudential, was not seriously marketing or improving the Mall. To make matters worse, the adjacent property, AMP, Inc. Corporate Headquarters and business campus containing four other AMP office buildings with over 2400 employees was part of a corporate takeover by TYCO, Inc. TYCO closed the campus, laid off more than 2000 employees and moved the remaining operations to Lower Swatara Township. The Mall lost a very large constituency that not only shopped but also lunched at the Mall. The Township Commissioners believed that the Mall would be a "Land Scrape" and that the Township would lose its single largest real estate tax payer. The Township would also lose tax revenue from the business privilege (gross receipts) tax. Also, the Mall had approximately 800 employees whose jobs would have disappeared.

Feldman (Mall) Properties approached the Township with a plan to purchase and renovate the Mall. This plan included new tenants and a major expansion of the Mall. Mr. Larry Feldman addressed three governing bodies that would need to get behind the plan: school board, township commissioners and county commissioners. The elected officials agreed and signed on to the plan. We all saw the plan creating other opportunities beyond the Mall property.

A partial list of the renovations and new construction around the "Harrisburg Mall" since its first phase development is as follows: Paxton Street Commons, a new

strip shopping center under construction directly across Paxton Street from the Mall. To the east, less than a quarter mile away, the Walsh Properties were renovated and expanded for new retail sales. The old Harrisburg Paper Warehouse across I-83 from the Mall has been renovated and occupied. Adjacent to the Mall, TecPort, a high tech business park, was developed on the old AMP, Inc. properties campus. TecPort Business Park now includes Computer Aid, Inc., the regional offices for Health America, Blue Cross, and Trane Inc., two new hotels have been built, a Hilton Gardens and Homewood Suites, the Commerce Bank Corporate Headquarters building, a Ruby Tuesdays restaurant and a small strip center. TecPort business residents have more than doubled the number of jobs lost when AMP, Inc. left the area. Other adjacent development includes a Fudruckers restaurant, Isaac's restaurant, Tuscano's restaurant; Cornerstone Coffee House, Belco Credit Union corporate offices, and a new Marriott Hotel are currently under construction. The renovation of four other buildings has taken place along the Paxton Street corridor to the west. Further east High Pointe Commons, a 450,000 square foot shopping center, has been developed with a Target and a JC Penney who could not be accommodated at the Mall.

Instead of a drab, dirty collection of run-down industrial looking structures, the Mall has become a showcase for our town. Our real estate and business privilege tax bases have risen sharply. Instead of losing 800 jobs we're steadily gaining many new ones. The entire business activity in the surrounding area has boomed and blossomed.

The Feldman Group has lived up to everything they said they were going to do. They kept their word and promises. The school board, township commissioners and county commissioners would whole heartedly sign on again to work with the Feldman's.

Sincerely,



Paul K. Cornell
Administrator