

# Attachment A

## *Term Sheet for RCC*

1. Alatus will construct the RCC Project in compliance with City adopted goals and official controls and the Alatus development proposal related to building types, location, minimum valuation and construction timing/phasing. Future revisions to the development plans will be subject to review and approval upon application by Alatus through the JDA process. Alatus and the City will enter into a development agreement based on the November 18, 2018 draft Master Development Agreement consistent with the updated Alatus development proposal and this term sheet.
2. Alatus will construct all required infrastructure (exclusive of County infrastructure improvements) included within the site, including a new water tower and related infrastructure, public works maintenance/storage facility consistent with City design specifications to be completed no later than the end of Phase I, and the first application of seal coating and striping for city streets within the Project. These costs are currently estimated to be approximately \$13.225 million in principal amount, with final amounts to be agreed to between the City and Alatus. Alatus will finance and construct the infrastructure at no direct cost to the City. The City will credit Alatus these principal financing costs against corresponding customary city imposed fees (including trunk utility or fee in lieu of park dedication) in sufficient amounts to reimburse Alatus for the full principal and carrying costs or, if additional amounts are required to reimburse Alatus, by mutual agreement through fees or special assessments imposed against property or sub-developers.
3. Alatus will reimburse the City for planning area expenses in the amount of \$1.0 million, \$500,000 will be paid within 18 months of the initial plat. A fee will be imposed on sub-developers as upon execution of a secondary development agreement to reimburse up to a maximum of \$1.0 million.
4. Alatus will escrow the estimated City expenditures projected to be incurred over the first five years of development. Upon issuance by the City of an occupancy permit for a building in the first phase of Town Center, Alatus may escrow the full amount of the anticipated costs or a lesser amount agreed to by the City in an evergreen escrow account based upon a schedule of costs in the Development Agreement, and the City will submit documentation to Alatus for the expenditures, tax receipts and draws against the security.
5. Alatus will abide by the TRC and City goals for housing, constructing 1,460 dwelling units on the site, with 880 dwelling units in the downtown area. All the affordable units shall be constructed to the same standard of quality similar to the market rate dwelling units within the Project and area, and must be affordable for various family need levels in compliance with City adopted goals. A total of 326 units of the 1,460 units will be affordable, with 180 (125 LIHTC deeply affordable units, and 55 units at the 4D tax credit level) located in the Town Center area and the other units dispersed throughout RCC. A minimum of 20% of the affordable units shall be owner-occupied. The City agrees to participate as the "responsible governmental unit" on all grant applications or similar affordable housing program applications to meet these targets, and will pass-through the corresponding funding to Alatus.
6. In order to meet the goal of creating a first-class destination and to eliminate virtually all of the surface parking within the residential and commercial Town Center, a district parking solution for the 880 downtown dwelling units and commercial properties will be created and financed through tax increment financing based on Alatus project commitments related to minimum market value of improvements. Subject to and consistent with statutory requirements and standard practices, the City will issue one or more pay-as-you-go TIF Notes in the principal amount of \$17 million to provide funding for district parking. The City will also assist in the creation of a special service

district, as requested by Alatus, to provide funding for extraordinary amenities or services related to the Town Center area that exceed standard City service standards.

7. At initial plat approval, Alatus will transfer to the City the City Center site previously identified in the Memorandum of Understanding without any reversionary interest, but with a restrictive covenant identifying the types of City uses allowed on the site. Should the City have an approved use on the site then Alatus, at no-cost to the City, will construct the utility connections for the City Center Site and any associated underground pedestrian and vehicular access to the adjacent building. Alatus and the City may pursue a joint development agreement for that site and will evaluate the potential for using additional qualified costs, under the Minnesota Tax Increment Act, within the Project area to provide tax increment financing for those other qualified costs in an amount equal to the cost of the portion of any structure, for which Alatus would develop at no additional cost to the City.
8. In lieu of park dedication fees, Alatus will build Project parks and support facilities in accordance with the executed Memorandum of Understanding dated 12.12.2016. Alatus will form an HOA and BOA to pay for amenities, operations and maintenance costs for the Project area, including natural resource areas owned by Alatus. The HOA and BOA will be responsible for any amenity or service that exceed City standard amenity, service and maintenance practices. Revenues from a special service district may be utilized, in accordance with state law, for payment of a portion of these additional costs.

These terms are agreed to, subject to a definitive Redevelopment Agreement, as of May 9, 2022 by the City of Arden Hills and Alatus Arden Hills LLC.

CITY OF ARDEN HILLS, MINNESOTA

ALATUS ARDEN HILLS LLC

By: David Grant  
Its: Mayor

By: Robert Z  
Its: CEO

By: Laura Penaw  
Its: City Administrator