

<p>Term Sheet</p> <ul style="list-style-type: none"> -basic requirements and expectations -Parties: Alatus LLC and the Joint Development Authority (JDA) 	<p>Final Development Agreement</p> <p>-This column represents items that are not covered in the term sheet, but will be expanded upon in the Final Development Agreement, including details like:</p> <ul style="list-style-type: none"> -more detailed requirements -enforcement mechanisms -financial details
<p>Assumptions</p> <p>This Term Sheet is intended to set forth the general terms that the developer and the JDA may be willing to enter into in a definitive final Development Agreement to be negotiated. Neither this Term Sheet nor approval thereof shall constitute an offer or agreement and no agreement with respect to the matters set forth herein shall be effective until the date of execution of a definitive final Development Agreement in writing by all parties thereto.</p> <p>The terms below are predicated on the County receiving funding from the State for site infrastructure (\$25M request). If this funding is not allocated, there will be implications both for timing and financing of the project.</p> <p>The Final Development Agreement shall be consistent with the Joint Powers Agreement.</p>	
<p>Infrastructure Financing</p> <p>The parties understand that the infrastructure funding for the project is critical to its advancement and will work collaboratively to ensure the infrastructure financing is achieved in a manner mutually agreeable to the parties. The City’s goal is to have their respective infrastructure financed and paid for by the development and not burden existing residents.</p>	<ul style="list-style-type: none"> • Financial commitments of all parties to infrastructure • Who will be responsible for managing infrastructure project
<p>Public/Private Financing</p> <p>The parties understand from financial analysis that there are funding gaps in the project. The parties will actively pursue both public and private sources of funding with the goal of identifying a path to filling these gaps by the end of 1Q 2024.</p>	<ul style="list-style-type: none"> • Financial commitments of all parties to other parts of the development

<p>The parties understand that beyond infrastructure financing, there may be opportunities to leverage financing tools available to the site, which may include City, County, State, Federal, and/or private funds. The parties will work collaboratively to explore funding opportunities and find mutually agreeable solutions. The County expects to invest money in affordable housing on the site through its funding sources, such as the Housing and Redevelopment Authority levy, CDBG, and HOME.</p>	
<p>Housing Density</p> <p>The parties will work toward developing a maximum of 1,960 housing units on the site, pending final approval of the necessary regulatory changes. Lesser densities may be considered upon mutual agreement. Housing will include a range of types, including but not limited to single-family houses, townhouses, and apartments.</p>	<ul style="list-style-type: none"> • Number of units of each housing type planned (single-family, townhomes, multifamily, co-ops, etc.)
<p>Housing Affordability</p> <p>The parties share a goal of providing affordable housing on the site and will work toward a minimum of twenty percent of the total housing unit count (392 units at a maximum of 1,960 total units) to consist of affordable rentals at 60% AMI or below. The developer will pursue opportunities for funding and submit applications to make these rental units more deeply affordable, from sources such as Minnesota Housing (low-income housing tax credits (LIHTC)), CDBG-HOME, County HRA levy funds, Local Affordable Housing Aid (metro area sales tax funding), etc. and with partners such as Habitat for Humanity.</p> <p>The parties will additionally work toward constructing ten percent of the owner-occupied units to accommodate Ramsey County down payment assistance, which is accessible to households who make less than 115% of area median income (AMI) (in 2023, that equates to a for-sale price of less than \$372,000).</p>	<ul style="list-style-type: none"> • Financial commitments for housing affordability • Number of units of affordable rental housing planned and affordability/AMI level • Number of units of affordable for-sale housing planned (i.e. eligible for down payment assistance) • Affordability terms • Rental policies (e.g. projects must accept Section 8 vouchers)
<p>Housing Ownership versus Rental</p> <p>The parties share a goal of providing opportunities for homeownership opportunities in the development, and as part of the final development agreement will come to a mutually agreeable ratio of owner-occupied units to rental units.</p>	<ul style="list-style-type: none"> • Number of homeownership and rental units planned • Mechanism for ensuring this balance comes to fruition

<p><i>Commercial/Industrial Development and Job Creation</i></p> <p>The parties understand that new employment at well-paying jobs is an important objective for Rice Creek Commons, for which reason certain areas have been zoned for commercial or industrial usage. Accordingly, the parties agree to pursue appropriate buyers or tenants for such areas as will maximize the opportunities for such employment.</p>	<ul style="list-style-type: none"> • Details about job creation goals
<p><i>Green Energy Goals and Infrastructure</i></p> <p>The parties share the goal of building an ambitious, sustainable development. The parties endorse the Rice Creek Common Energy Vision, as adopted by the JDA on 10/2/23, and will collaborate in alignment with the guiding principles therein. As part of working toward this vision, the parties will explore the feasibility of an all-electric development and work with the selected energy consultant to create metrics to be included in the final development agreement to achieve these goals.</p>	<ul style="list-style-type: none"> • Specifics to be determined through energy consultant contract: <ul style="list-style-type: none"> ○ Goal for the development (i.e. net zero or all-electric or carbon neutral or other) ○ Energy technologies to be used to achieve that goal ○ Metrics • Financing for green energy work • Other sustainability requirements beyond energy
<p><i>Building 116</i></p> <p>The JDA will support the developer’s exploration of the feasibility of moving Building 116 off the site, including identifying a way to pay for the relocation.</p>	<ul style="list-style-type: none"> • Financial resources to be used • Regulatory process and permissions necessary to move the building
<p><i>Maintenance and Operating Costs/Responsibilities</i></p> <p>The parties understand that ongoing maintenance and associated costs will need to be addressed in the final development agreement. Furthermore, each party may have its own goals in the short and long term. The parties will work collaboratively to address these in the final development agreement. For example, it is important to the City to ensure the Rice Creek Commons does not put undue financial risk or burden on the entire City and will seek to have short-term and long-term funding gaps addressed.</p>	<ul style="list-style-type: none"> • Financial responsibilities of all parties for long-term maintenance and operating costs of the development

<p><i>Ordinances and Policy Applicability</i></p> <p>The developer will comply with all applicable federal, state, and local ordinances.</p>	<ul style="list-style-type: none"> • Details about other construction standards including green building standards, quality of construction, etc. • Details about job creation goals • Applicability of ordinances including the Ramsey County Prevailing Wage Ordinance No. 2013-329
<p><i>Conveyance of Property</i></p> <p>The property will be conveyed to the developer in tranches. The parties will establish performance metrics, and the JDA will assess performance on these metrics prior to the conveyance of the next tranche.</p>	<ul style="list-style-type: none"> • What exactly each tranche comprises • Order in which tranches will be conveyed
<p><i>Timeline</i></p> <p>The parties will work together in earnest to negotiate and sign a Final Development Agreement by the August JDA meeting, scheduled for 8/7/2024.</p>	<ul style="list-style-type: none"> • The PDA extends through June 2025 so this timeline is not set in stone but is a goal we would like to memorialize in this term sheet.