

## PRELIMINARY DEVELOPMENT AGREEMENT

THIS PRELIMINARY DEVELOPMENT AGREEMENT (the “Agreement”) is made and entered into this 4th day of December, 2023, by and between the TCAAP Joint Development Authority, a Minnesota joint powers entity (“JDA”), and Alatus Arden Hills LLC, a Minnesota limited liability company (the “Developer”).

### RECITALS:

First: The County of Ramsey (the “County”) is the Purchaser under that certain Offer to Purchase, as Amended (the “OTP”), by and between the County and the United States of America, by the General Services Administration, as Seller (“GSA”), for a portion of the real property located in the City of Arden Hills (the “City”) commonly referred to as the Twin Cities Army Ammunition Plant (“TCAAP”). The real property which is the subject of the OTP contained approximately 427 acres of land at time of purchase. The real property is divided into five outlots (A, B, C, D & E) and portions of dedicated rights-of-way. Outlot A is a 40.1 acre platted area known as the “Thumb Parcel”. Outlot C is a 372.05 acre platted area known as the “California Parcel”. Outlots B, D, and E together represent approximately 5.0 acres of platted area that will be deeded to Ramsey County Parks and Rec. The balance of approximately 10 acres represents the dedicated rights-of-way to MnDOT and Ramsey County Public Works, respectively.

Second: Pursuant to the Joint Powers Agreement between the City and the County (the “JPA”), the JDA developed a developer selection process for redevelopment of Outlots A and C. The Developer had been selected by the JDA as the developer for redevelopment of the Outlots A and C. The Developer and the JDA (the “Parties” or a “Party”) entered into a Preliminary Development Agreement effective June 6, 2016 (“TCAAP Site Preliminary Agreement”), which was subsequently amended by Amendment No. 1 effective October 31, 2016, and again by Amendment No. 2 effective May 17, 2017. The TCAAP Site Preliminary Development Agreement, as amended, expired by its terms on March 8, 2018.

Third: Since the termination of the TCAAP Site Preliminary Development Agreement, as amended, the County has acquired a purchaser for the Outlot A Parcel through a public solicitation in order to provide a revenue source for County infrastructure improvements within Outlot C, and therefore the Outlot A Parcel is no longer intended to be a subject of this Preliminary Development Agreement or a Final Development Agreement with Developer.

Fourth: The “Parties” wish to renew their cooperation in further analyzing the potential and feasibility of the redevelopment of the Outlot C or the California Parcel (“California Parcel Project” or “Project”) and are willing to proceed with such analysis in anticipation of reaching a more definitive agreement regarding the Project; The legal description of the California Parcel is attached as Exhibit A.

Fifth: The Parties acknowledge that the Developer will expend time and effort, and incur expense in pursuing the Project;

Sixth: The Developer is willing to undertake the activities described in this Agreement only with the reasonable assurance from the JDA and the County that each will support and cooperate with the Developer in its efforts;

Seventh: Any resulting Project will be consistent with the TCAAP Master Plan, as amended from

time-to-time (“TCAAP Guiding Plan”)<sup>1</sup>, which shall guide density, location, and timing of components of the redevelopment on the California Parcel, and the TCAAP Redevelopment Code (“the TRC”), as amended;

Eighth: The County is not a Party to this Agreement, but consistent with its obligations under the JPA and the JDA developer selection process, has agreed to cooperate fully with Developer in ensuring all necessary access by Developer to the California Parcel for site investigations, subject to any reasonable subsequent agreement required by County. Further, the Developer and the County will attempt in good faith to negotiate the terms of a purchase agreement (the “Purchase Agreement”), which will provide the terms and conditions necessary for the County to convey the TCAAP Site to the Developer or its assigns consistent with the Final Development Agreement defined below. The conveyance of the TCAAP Site is solely within the discretion of the County following all legally required proceedings;

Ninth: The JDA and the Developer have executed this Agreement to document their understanding with respect to the proposed Project.

## AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual obligations of the Parties contained herein, each of them does hereby represent, covenant, and agree with the other as follows:

1. Statement of Intent.

It is the intention of the Parties that during the term of this Agreement, on or before June 30, 2025, the Developer and the JDA will attempt in good faith to negotiate the **terms** of a Final Development Agreement for private development of the California Parcel (the “Development Agreement”) which will provide the nature and timing of the public infrastructure and private improvements to be constructed on the California Parcel and which, when executed, will supersede this Agreement and all obligations of the Parties hereunder. The Development Agreement will contain such additional terms as either Party believes are necessary for the transaction. To that end, it is the intention of the Parties to work in good faith to agree on a high-level term sheet of key elements for a definitive Development Agreement for the California Parcel Project within 90 days following the execution of this Agreement.

2. Undertaking by Developer.

During the term of this Agreement, the Developer will cooperate with the JDA (and the County) to accomplish the activities described in paragraph 1 required to be performed by the Developer and agrees to utilize commercially reasonable efforts to undertake and analyze the potential and feasibility of the Project and all the activities described in paragraph 1 required to be performed by

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<sup>1</sup> The TCAAP/Rice Creek Commons redevelopment is guided by a network of documents and official legal controls through the county’s years-long partnership with the city of Arden Hills, including but not limited to a set of documents referred to as the “TCAAP Master Plan.” Acknowledging its historical connection with slavery, the term “master” has been identified for replacement with more accurate terms. As such, this Agreement will use the term TCAAP Guiding Plan or “Guiding Plan” when referring to the official TCAAP Master Plan.

the Developer, subject to the JDA's performance.

3. JDA's Undertaking and Agreement.

- (a) The JDA agrees to cooperate with the Developer in the Developer's undertakings, agrees to utilize commercially reasonable efforts, subject to the Developer's performance, to accomplish the activities described in paragraphs 1 and 2 above.
- (b) The JDA further agrees that during the term of this Agreement, the JDA will not provide or enter into any other agreement with any other Party for development of the California Parcel. It is the intention of this provision that, during the term of this Agreement, the Developer shall have the exclusive right to negotiate the development of the California Parcel with the JDA.

4. Term.

This Agreement is effective from the date hereof through June 30, 2025, unless extended by the Parties; provided, in the event either Party, after consultation with the other Party, determines in good faith that the Parties have not reached substantial agreement as to the terms of the Development Agreement by October 31, 2024 or the Developer determines, in good faith, by October 31, 2024 that the Project is not feasible, such determining Party may terminate this Agreement upon 30 days' written notice to the other; provided however, that the parties will continue negotiation during the 30 day period and if no agreement has been reached by the end of the 30 day period, the termination shall be effective as of such 30th day. The Parties each waive any claim or cause of action that they may have against the other Party based upon the termination of this Agreement by such other Party. The Parties may, by mutual written agreement, extend this Agreement for such further periods as determined to be appropriate from time to time.

6. Developer Assignment of Rights.

The Developer shall not assign or transfer its rights under this Agreement in full or in part without the prior written consent of the JDA.

7. Miscellaneous.

- (a) This Agreement constitutes the entire agreement between the Parties relative to these preliminary terms relating to the proposed Project. Unless specifically described herein, no obligation shall be inferred or construed.
- (b) Redevelopment of the California Parcel will be in accordance with the Development Agreement, the Purchase Agreement, or other agreements which the Parties shall, in good faith, attempt to negotiate during the term of this Agreement.
- (c) The Developer understands that further and separate action, for which no obligation is created hereunder, will be required before the JDA, the County or the Developer is obligated to take various actions with respect to the Project.
- (d) The Developer further understands that many of the actions which the JDA or the County may be called upon to take require the reasonable discretion and, in some instances, the legislative judgment of the JDA or the County, such actions may be made only following established procedures; and JDA and County may not, by agreement, agree in advance to any specific decision in such matters.
- (e) Notice or demand or other communication between or among the Parties shall be sufficiently

given if sent by certified or registered mail, postage prepaid, return receipt requested, national overnight delivery service, delivered personally or by electronic mail to the email addresses listed below; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise provided in this Section 8(e):

To the JDA:

TCAAP Joint Development Authority  
c/o JDA Administrative Director  
Ramsey County Manager's Office  
15 West Kellogg Blvd., #250  
Saint Paul, MN 55102  
Email:

and

TCAAP Joint Development Authority  
c/o JDA Development Director  
Arden Hills City Hall  
1245 West Highway 96  
Arden Hills MN 55112  
Email: kari.collins@co.ramsey.mn.us

To the Developer:

Alatus Arden Hills LLC  
3340 Republic Avenue  
Suite 50  
St. Louis Park, MN 55426  
Attn: Robert C. Lux  
Email: rclux@alatus.com

(The remainder of this page is intentionally left blank.)

**IN WITNESS WHEREOF**, the Parties have executed this Agreement effective the date and year first above written.

ALATUS ARDEN HILLS LLC, a Minnesota  
limited liability company

By:   
Robert C. Lux  
Its: Chief Manager

TCAAP JOINT DEVELOPMENT AUTHORITY

By: *Janet Wick*  
Its: Chair

By: *Kari Collins*  
Its: Administrative Director

**EXHIBIT A**

**“CALIFORNIA PARCEL”**

Outlot C, TCAAP, as recorded in Ramsey County, Minnesota”

Parcel Identification Nos.
16 30 23 21 0001

