



**Joint Development Authority
TCAAP Redevelopment Project**



AGENDA

Tuesday, September 4, 2018

5:30 p.m.

Arden Hills City Hall—Council Chambers

1. Roll Call
2. Approval of Agenda
3. Approval of Minutes, 6/20/2018
4. Public Inquiries/Informational
 - a. *The intent of the Public Inquiries/Informational part of the agenda is to provide interested parties with an opportunity to speak to the JDA about an issue or concern about a past or future agenda item. The current agenda for tonight's meeting is structured to ensure that the JDA accomplishes their business within that agenda. If there is a public hearing scheduled as an agenda item, the public will be invited to speak to that agenda item. In addressing the JDA, please state your name and address for the record, and a brief summary of the specific matter being addressed. To allow adequate time for each person wishing to address the JDA, individuals should limit their comments to three (3) minutes. Written documents may be distributed to the JDA prior to the meeting, or as bench copies, to allow a more timely presentation.*
5. Consent Agenda
6. Old Business
 - a. Master Development Agreement Summary
7. Public Hearing
 - a. None
8. New Business
9. Communications – None.
10. Development Director Update – Verbal.
11. Administrative Director's Report – Verbal.
12. Commissioner Updates
13. Adjournment

Joint Development Authority
Monday, June 20, 2018
Arden Hills City Council Chambers

Minutes

6:00 pm

Present:

Joint Development Authority: Chair Jonathan Wicklund, Commissioner Blake Huffman, Commissioner Dave McClung, Commissioner David Grant

Absent was: Commissioner Rafael Ortega

Also present: Dave Perrault, (Arden Hills); Josh Olson, (Ramsey County)

Roll call taken.

Approval of Agenda

Motion by Commissioner Huffman seconded by Commissioner Grant to approve the agenda as presented. Motion carried.

Approval of April 2, 2018 Minutes

Motion by Commissioner Huffman seconded by Commissioner McClung to approve the minutes as presented. Motion carried.

Public Inquiries/Informational

None

Consent Agenda

None

Old Business

Master Development Agreement

Administrator Olson provided the JDA with an update on the Master Development Agreement. He stated the City, County and Developer have been meeting regularly and terms were being negotiated. He was pleased to report a schedule was being made to move forward. He reviewed this timeline in further detail with the JDA and recommended the July 2nd JDA meeting be canceled. It was noted the JDA would meet next on Wednesday, July 25th.

Commissioner Huffman asked if the MDA was focusing solely on Phase I of the development. Administrator Olson reported the MDA was addressing the full scope of the development project.

Public Hearing

None

New Business

Rice Creek Commons – Green Infrastructure and Water Reuse Feasibility Study

Catherine Netzer, Rice Creek Watershed District, stated she has had the pleasure of working with Beth Engum and Sue Polka on the recently completed Green Infrastructure and Water Reuse Feasibility Study. She discussed the partnership she had with the County and City and explained this study analyzes the potential feasibility of a series of green infrastructure (iron-enhanced sand filter, stormwater treatment tree trenches, etc.) and stormwater reuse projects which could be implemented as part of the Rice Creek Commons development. The overall purpose and goals of the study were reviewed. She explained the purpose of the study is to identify potential projects that go beyond the “baseline” of Rice Creek Watershed District (RCWD) requirements with the potential to support subsequent grant applications such as the Board of Water and Soil Resources (BWSR) Clean Water Fund or Metropolitan Council’s Green Infrastructure program. It was noted the study does not commit the RCWD to any future project funding at this time and any future intergovernmental grant applications (in partnership with the City and/or County) would require RCWD Board approval prior to submittal. She thanked Beth Engum and Sue Polka for their assistance on this study.

Beth Engum, Ramsey County, commented on the process staff went through to prioritize the management practices that would be followed for future grant applications. She discussed how staff addressed the stormwater management on the site in order to reduce the pollutant load, while also minimizing cost. She explained staff was also seeking educational opportunities for the site. She reviewed the three high priorities staff would be pursuing for the site which involved planting trees, reusing stormwater, and an iron-enhanced filter system which would remove phosphorous from water runoff. She reported staff would be seeking funding for these three priorities.

Chair Wicklund questioned what type of grants were available to assist with these projects. Ms. Engum commented on the grants that were available through the Met Council and BWSR.

Commissioner McClung asked if Legacy funds were available. Ms. Engum reported this was the case.

Communications

None.

Development Director's Report

Administrator Perrault had nothing to report.

Administrative Director's Report

Administrator Olson discussed a meeting that was held with Chris Clark, Xcel Energy President. He stated from this meeting staff has engaged Alatus and the public partner team to discuss pilot concepts for the site. He reported team members were being brought in to see how the County and Alatus can pursue unique energy options for the site.

Commissioner Huffman requested staff provide the JDA with a more detailed report on this matter at the July 25th meeting.

Commissioner Updates

Commissioner Grant reported funding from the State legislature had been approved to improve I-35W from Roseville to Forest Lake. He explained the improvements would improve capacity, install sound walls, resurface the entire freeway and would create a MnPASS lane.

Future Meeting Schedule

The next meeting will be Wednesday, July 25, 2018, at Arden Hills City Hall.

Meeting adjourned at 6:27 pm.

Approved _____
Jonathan Wicklund, Chair

Date



**Joint Development Authority
TCAAP Redevelopment Project**



AGENDA ITEM 6A

MEMORANDUM

DATE: August 28, 2018
TO: Joint Development Authority Board of Commissioners
FROM: Louie Jambois, TCAAP Lead Negotiator, Ramsey County
SUBJECT: Master Development Agreement - Summary

Background

Louie Jambois, Lead Negotiator for the County, will present a summary of the Master Development Agreement with Alatus Arden Hills LLC.

Requested Action

The JDA accepts the summary of the Master Development Agreement as presented and directs JDA staff bring a Master Development Agreement consistent with the summary.

Attachment:

1. Master Development Agreement Summary

MDA Summary

General

- The Master Development Agreement (MDA) is a contract between the Joint Development Authority (JDA), Ramsey County, and Master Developer (Alatus Arden Hills LLC).
 - The associated purchase agreements between the County and the Master Developer are contracts to sell the property to the Master Developer in accordance with the terms and conditions contained in the MDA.
 - The associated Cooperative Agreement is a financing contract between the City of Arden Hills and Ramsey County
 - The associated Vertical Developer's Agreements will be required of each developer of vertical improvements at the time of platting and acquisition of property and will require typical development escrows as well as performance goals required under the MDA
- The development covered in the MDA must be completed in accordance with the TCAAP Master Plan and the TCAAP Redevelopment Code. (TCAAP has been renamed Rice Creek Commons – RCC.)
- County and City goals include job creation, tax base increase, energy resiliency and affordable housing
- This summary provides detail on the important specifics of the agreement with the Master Developer for the sale and development of RCC, including major provisions to be included in attachments and associated agreements

Article IV – Design, Construction and Implementation of Mass Grading and Public Improvements

- \$67,860,000 total cost
 - Overrun Protection is provided by capping Hard Costs at \$60.5M
 - Remedies for bids exceeding that amount including value engineering, site redesign, rebidding or termination of the MDA
 - Master Developer, County and City are evaluating cost reductions as part of final design of Mass Grading and Public Improvements
- Master Developer participates in design and design review of mass grading and infrastructure
- County Contribution will total \$51M
 - \$10M, bonding for spine road (authorized 2016)
 - \$41M, General Fund cash flow advance
 - Repaid from future land sale proceeds
- City Contribution will total \$8.2M (~\$5M water tower, \$3.2M trunk utilities)
- Master Developer Contribution will total \$10M
 - \$1.0M at signing of MDA for the County's costs of the design and engineering of Mass Grading and Public Improvements
 - \$2.0M at contract award to be used for Master Developer soft costs and Mass Grading and Public Improvements

- Remaining balance at pre-construction meeting with the selected Mass Grading and Public Improvements contractor
- \$2,640,000 of the \$10,000,000 can be used by County for the County's costs of the Mass Grading and Public Improvements, including design and engineering
- The remaining \$7,360,000 can be used by the Master Developer with County/JDA review to pay soft cost expenditures (including previously incurred costs) and to pay the Master Developer's internal enterprise fee
- Ramsey County, the Master Developer and Xcel Energy executed a Memorandum of Understanding (MOU) on August 22, 2018. Ramsey County, the Master Developer and Xcel are cooperating in the creation of a Master Development Energy Integration Plan that promotes energy resource conversation and drives advanced energy systems and energy resiliency goals for Rice Creek Commons. The Master Development Energy Integration Plan will identify on- and off-site energy improvements made by Ramsey County, the Master Developer and Xcel Energy, individually or cooperatively, that advance energy resiliency goals for Rice Creek Commons
- Improvements necessary for the implementation of the TGRS Geothermal system and other elements of the Master Development Energy Integration Plan are not currently part of the Mass Grading and Public Improvements budget. As the Master Development Energy Integration Plan is finalized, Ramsey County and the Master Developer will work collaboratively to include energy improvements in Mass Grading and Public Improvements budget
- Master Developer and vertical developers are responsible for financing and constructing neighborhood public improvements required under the TCAAP Master Plan and the TCAAP Redevelopment Code

Article III Status of Development Property; Existing Encumbrances and Conditions; Conditions to Conveyance (Deal points for which Master Developer is responsible)

- Master Developer will acquire the Property in 5 phases for a minimum purchase price (Strike Price) of approximately \$62.7M
 - For re-sales up to the Strike Price, the County will retain 68% (~\$42.6M) of the net sale proceeds.
 - 32% (~20.0M) of the net sale proceeds will be retained in escrow and paid to Master Developer, as part of their developer fee based on performance
 - As an incentive to Master Developer to sell the property for more than the Strike Price, the amount exceeding the Strike Price will be shared - 60% is paid to County, while 40% will be retained in escrow to be paid to the developer based on performance
- Master Developer or a vertical developer must obtain a building permit within 9 months of land purchase and must begin vertical construction within 11 months of land purchase
- Quick Overview of the 5 Phases

- Phase 1: parcels with a minimum Strike Price of approximately \$22.5M to be acquired no later than December 31, 2020 (or 6 months after the “Construction Ready Date” – which is the date at which the County/City mass grading and infrastructure improvements are complete)
- Phase 2: parcels with a minimum Strike Price of approximately \$10M to be acquired no later than December 31, 2023 (or 42 months after the Construction Ready Date)
- Phase 3: parcels with a minimum Strike Price of approximately \$10M to be acquired no later than December 31, 2026 (or 78 months after the Construction Ready Date)
- Phase 4: parcels with a minimum Strike Price of approximately \$10M to be acquired no later than December 31, 2029 (or 114 months after the Construction Ready Date)
- Phase 5: parcels with a minimum Strike Price of approximately \$10.2M to be acquired no later than December 31, 2034 (or 174 months after the Construction Ready Date)
- The County must approve any sale to a tax exempt entity

Article V Phased Development; Requirements Applicable To All Phases

- Park Dedication: Master Developer will build and dedicate 3 parks in lieu of paying a park dedication fee – Town Center Park, Creek Park, Hill Park – as those areas are developed, in accordance with the park MOU
 - Master Developer will deposit funds to build the parks in an escrow account to ensure the parks are built
- Creation of at least 4,000 jobs, 2,000 of which are High Quality jobs (Higher than the average wage for the Metro Area, or \$26.94/hour). Remaining 2,000 are Qualifying Jobs (130% of Federal Poverty Level, or \$15.68/hour, or 110% with benefits = to 20%)
 - One job/1,000 sq.’ for industrial
 - Three jobs/1,000 sq’ for office
 - Annual reporting by Master Developer or vertical developers
 - Performance measured 2 years after closing on land purchase and pace of development
 - 25% below goal constitutes default
- Achieve Affordable Housing goal of 10% or 146 of 1,460 housing units
 - 80% Area Median Income
 - 30 of the 146 reserved for owner occupied
 - Annual reporting by Master Developer or vertical developers
 - If the County elects to contribute additional direct County affordable housing funds to the project, those funds are intended to result in a net increase in the number and percentage of affordable units
- Energy Performance Standards

Article VI Acquisition and Development of Phase I Development Property

Master Development Responsibilities include

- Purchase price of a minimum Strike Price of approximately \$22.5M
- Not less than 3 months prior to closing, preliminary plats and plans must be submitted to the JDA, and closing occurs after final plats have been approved by the JDA
- Standards and acquisition prices are set for the development of
 - Owner-occupied blocks
 - Entertainment blocks
 - Commercial blocks
 - All are Mixed Use Blocks
 - Exact timing and sequence can be juggled to respond to market demand
- Standards that apply to all Phase 1 development include:
 - Project completion by 12/31/24 or 54 months after the Construction Ready Date
 - Energy performance standards
 - Job creation performance standards or affordable housing standards
- Development Requirements
 - Owner-Occupied housing
 - Approximately 170 units
 - Completed value of at least ~\$29.5M (based on a requirement for completed improvements with a construction value of at least 5x the Strike Price paid for the applicable property by the Phase I completion deadline) with 2 affordable units
 - Commercial Block 2
 - Approximately 228,000 square feet of commercial or office on Block 2
 - Completed value of at least ~\$35.3M (based on 5x the Strike Price)
 - Hotel Block 22
 - Approximately 200 rooms
 - Approximately 150 rental housing with 8,500 sq. ft of retail
 - Prospective office development, depending on the market
 - Completed value of at least ~\$16M (based on 5x the Strike Price)
 - Entertainment Block 23
 - Approximately 42,000 square feet of movie theatre, restaurant, brewery
 - Approximately 100 unit senior rental housing with approximately 8,500 sq. ft. of retail
 - Completed value of at least ~\$13M (based on 5x the Strike Price)
 - Senior Housing Block 24
 - Approximately 225 unit senior rental housing with approximately 8,500 sq. ft. of retail
 - Completed value of at least ~\$18.8M (based on 5x the Strike Price)

- No affordability requirement but the Master Developer will endeavor to partner with a senior housing developer to set aside some affordable units, if possible

Article VII Acquisition and Development of Remaining Development Properties in Future Phases

- Price of remaining property will be at least equal to the remaining balance of the Strike Price allocated approximately as follows:
 - Thumb/Corporate Campus Parcel 1, ~\$8.2M
 - Office/Mixed Use Parcel 3, ~\$4.2M
 - Flex North Parcel 4 and 5, ~\$7.3M
 - Southeast Retail, Parcel 6, \$1.3M
 - Hill North Parcels 10, 11, and 12, ~\$4.1M
 - Creek Parcels 13, 14, ~\$4M
 - Town Center Parcels 15 – 21 ~\$10.3M
 - Civic Block Parcel 25, ~\$1 (subject to adjusted pricing under the City’s option to purchase with the Master Developer)
- Master Developer may request a closing on these Parcel Blocks at any time prior to the target dates in order to respond to market demand
- Master Developer is required to purchase each Parcel Block in its entirety except that commercial Parcel Blocks can be subdivided and purchased at a per square foot portion of the Strike Price
- The Corporate Campus Parcel may be subdivided provided the subdivision is consistent with the Master Plan corporate campus use
- If the City chooses to not use the Civic Block, the County will sell the property to Master Developer for at least the assessed value of TC3 zoned property
- For Development of Future Phases:
 - Energy Performance Standards apply
 - Job creation performance standards or affordable housing standards apply
 - All Completed Value requirements must be achieved within 48 months after the applicable land purchase deadline
 - Hill North Parcel Blocks 10, 11 and 12
 - Approximately 138 single-family owner-occupied homes
 - Completed value of at least ~\$20.3M (based on 5x the Strike Price)
 - At least 2 units affordable
 - Creek Neighborhood Parcel Blocks 13 and 14
 - Approximately 122 single-family owner-occupied homes
 - Completed value of at least ~\$19.8M (based on 5x the Strike Price)
 - Town Center North Parcel Blocks 15, 16, 17
 - Approximately 62 owner-occupied townhomes
 - Completed value of at least ~\$9.6M (based on 5x the Strike Price)
 - At least 10 owner-occupied homes must be affordable
 - Town Center South Parcel Blocks 18 and 19
 - Approximately 88 owner-occupied townhomes
 - Completed value of at least ~\$10.8M (based on 5x the Strike Price)

- At least 15 owner-occupied homes must be affordable
- Condo Parcel Block 20
 - Approximately 88 owner-occupied condos/coops with approximately 8,500 sq. ft. of retail
 - Completed value of at least ~\$7.5M (based on 5x the Strike Price)
- Commercial Development Parcel Blocks 1, 3, 4, 5, or 6
 - Blocks 1, 3, 4, 5, 6
 - Approximately 1,140,000 sq. ft. of commercial or office space
 - Completed value of at least ~\$105.2M (based on 5x the Strike Price)
- Apartment Parcel Block 21
 - Mixed Use
 - Approximately 210 rental housing units with approximately 8,500 sq. ft. retail
 - Completed value of at least ~\$22.2M (based on 5x the Strike Price)
 - 117 rental affordable units spread between Parcel Blocks 20-24, including Parcel Block 21
- Performance Deadlines may be extended if:
 - Minnesota and the Twin Cities has been determined to be in recession for 6 consecutive months based on two specified indices published by the applicable Federal Reserve Banks
 - Any hazardous substances are discovered during construction
 - Other unavoidable delays beyond the control of Master Developer

Article XI Events of Default

- Master Developer will have up to 180 days to remedy the problem(s)
- The JDA and County have the authority to:
 - Suspend development activities
 - Cancel, rescind or terminate the MDA and related agreements
 - Retain any funds held in escrow
 - Reacquire any property previously sold to Master Developer or vertical developers

Other provisions include:

- Master Developer is prohibited from holding land for speculation
- Master Developer can sell property to vertical developers
 - Master Developer cannot assign or transfer its obligations under the MDA to a vertical developer without approval from the JDA and the County
 - All vertical developers are subject to the same performance requirements as Master Developer
- Joint recruitment of Corporate Campus buyers
- Joint marketing, branding and business recruitment

- Master Developer and vertical developers are responsible for creation of HOAs, Property Owners Associations, or Special Service Districts for at least common area maintenance, landscaping, and organized garbage collection
- The MDA can be amended only with the approval of the JDA, County and Master Developer

City Responsibilities

- The MDA and Exhibit K (Cooperative Agreement) of the MDA outline the City of Arden Hills responsibilities for the project. Those responsibilities include:
 - Funding of City infrastructure obligations, including trunk water and sewer, storm sewer and a water tower.
 - A financing plan for the City public improvements including:
 - \$500,000 Planning Area Charge paid by the Master Developer and prospectively reimbursed to the Master Developer by project construction savings or land sale proceeds to the County in excess of the Strike Price.
 - Trunk sewer and water infrastructure, estimated at ~\$3.2M, will be financed and constructed by the County, with the City repaying the County through City SAC and City WAC of approximately \$650 and \$1,000 per unit respectively. The City incurs no up-front cost or risk.
 - The Water Tower acquisition and construction, estimated at ~\$5.2M, will be undertaken when needed to support the new development on the site. An estimated time is early 2020's. The Water Tower will be financed through Special Assessments levied at the time of construction.
 - Because there are no SAC charges due and payable to the Met Council for the development, the City and the JDA will not impose a Met Council equivalent SAC for the RCC development.
 - The Cooperative Agreement can be amended only with the approval of the City, County and JDA.
 - Development standards under the TCAAP Master Plan and the TCAAP Redevelopment Code can only be revised with the approval of the City, County and JDA.
 - County will maintain the spine road and County trails according to ordinary standards, City will maintain public parks, utilities and other areas and improvements dedicated to the City according to ordinary standards and any enhanced maintenance will be funded or provided through HOAs, Property Owners Associations, or Special Service Districts

TOTAL GROSS AREA (100%) = 18,565,595 S.F. / 426.2 ACRES

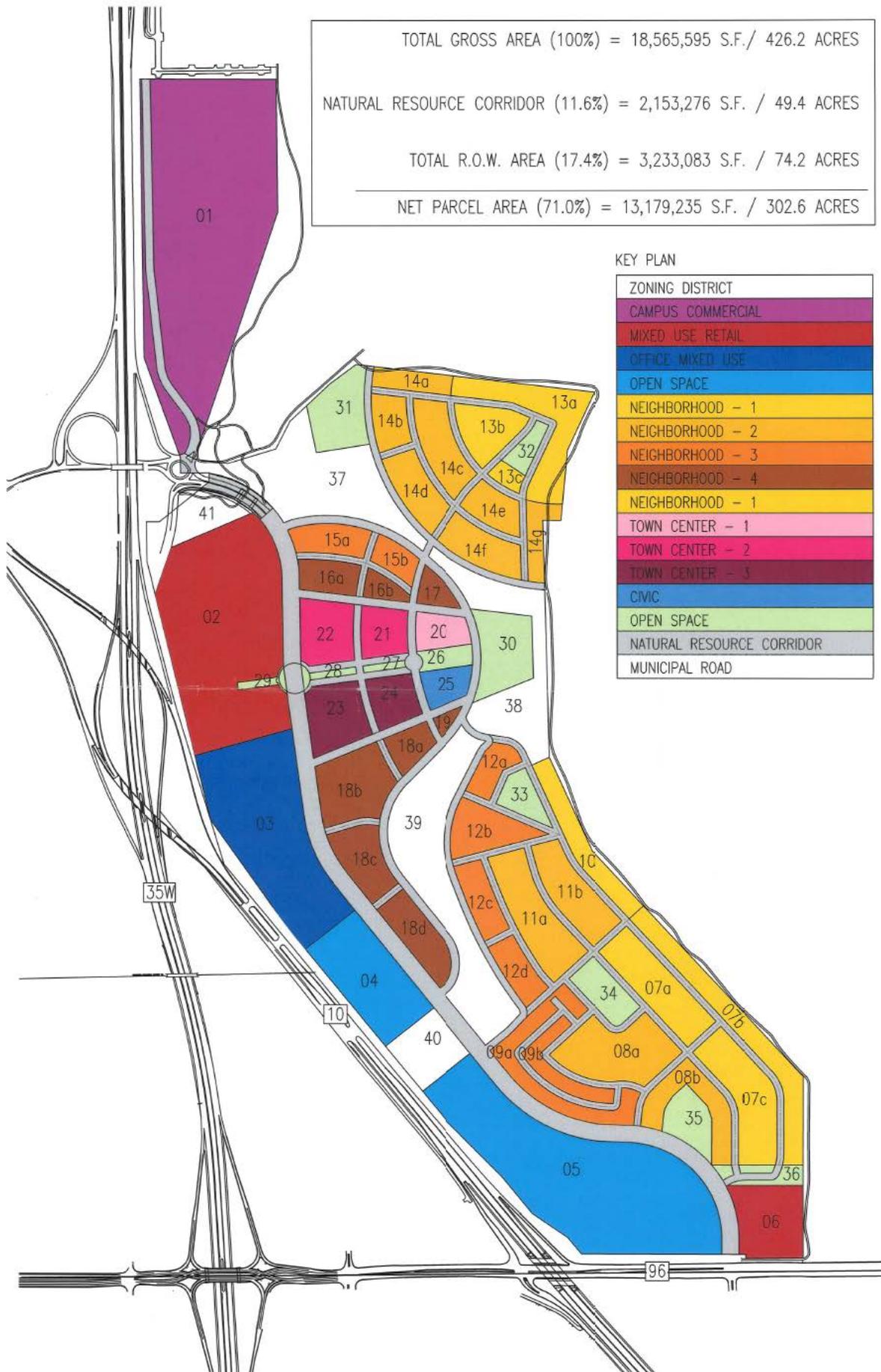
NATURAL RESOURCE CORRIDOR (11.6%) = 2,153,276 S.F. / 49.4 ACRES

TOTAL R.O.W. AREA (17.4%) = 3,233,083 S.F. / 74.2 ACRES

NET PARCEL AREA (71.0%) = 13,179,235 S.F. / 302.6 ACRES

KEY PLAN

ZONING DISTRICT	
CAMPUS COMMERCIAL	(Purple)
MIXED USE RETAIL	(Red)
OFFICE MIXED USE	(Dark Blue)
OPEN SPACE	(Light Blue)
NEIGHBORHOOD - 1	(Yellow)
NEIGHBORHOOD - 2	(Orange)
NEIGHBORHOOD - 3	(Light Orange)
NEIGHBORHOOD - 4	(Brown)
NEIGHBORHOOD - 1	(Yellow)
TOWN CENTER - 1	(Pink)
TOWN CENTER - 2	(Magenta)
TOWN CENTER - 3	(Dark Purple)
CIVIC	(Blue)
OPEN SPACE	(Light Green)
NATURAL RESOURCE CORRIDOR	(Grey)
MUNICIPAL ROAD	(White)



RICE CREEK COMMONS

Master Development Agreement - Summary

9/4/2018

Tonight's Agenda

- Overview
- Present a summary of Master Development Agreement (MDA)
- Areas of Ongoing MDA Refinement
- Project Timeline – *Going Forward*

Overview of MDA

- Master Developer Agreement (MDA) and Purchase Agreements are linked
- Master Development Agreement is contract between JDA, Ramsey County and Alatus Arden Hills LLC
- Purchase Agreements must be approved by the County, as landowner
- Cooperative Financing Agreement (part of MDA) must be approved by County Board and City of Arden Hills
- Vertical Developer's Agreement (part of MDA) will be required of each developer of vertical improvements
 - At the time of platting and acquisition of property
 - Will require development escrows and performance goals required under MDA
- County and City goals including job creation, tax base increase, energy resiliency and affordable housing

Project Goals

- Clean up state's largest Superfund site
- Spur regional economic development
- Add to county, city and school district tax base
- \$700 million market value, \$8.6 million/year property taxes
- Create living wage jobs (\approx 4,000 jobs in total)
- Speed up overdue highway improvements
- Create a forward-looking, mixed-use suburban development with a vibrant Town Center and Main Street
- Offer wide range of life cycle housing (1,460 units) – apts, condos, senior housing and SF residences (with affordable housing options)
- Create commercial options that include retail, flex office, hotel, entertainment and corporate campus
- Develop public spaces, nature corridor, parks and trails that connect to a regional system of trails and nearby wildlife corridor
- Incorporate energy resiliency components
- Allow for future transit connections

High Level Structure

- A Phased Development
 - Structured land acquisition for five development phases through 2036
 - Expected fair market value (strike price) of all phases, \$62.6 million
 - Parcels after Phase 1 will be sold based on:
 - Predetermined schedule
 - Market demand
 - Developer performance
- A focus of Phase 1
 - A focus on Town Center
 - A single family neighborhood
- Infrastructure development must come first

Master Development Agreement

- General
- Structure of the Document
- Definitions
- Key Components of MDA
 - Development phases and timelines
 - Performance standards required of developer
 - Financial requirements and participation by all parties

Article IV – Design, Construction and Implementation of Mass Grading and Public Improvements

- Project Cost: \$67.86M
 - Overrun Protection
 - Remedies for bids exceeding Project Costs
 - Evaluation of Cost reductions but City, County and Alatus
- Master Developer participates in design and design review of mass grading and infrastructure
- County Contribution (\$51M)
- City Contribution (\$8.2M)
- Master Developer Contribution (\$10M)
 - Master developer and vertical developers responsible for financing and constructing neighborhood public improvements

Article III – Status of Development Property: Existing Encumbrances and Conditions; Conditions of Conveyance

- Master Developer acquires property in 5 phases @ min. strike price of \$62.7M
 - Master Developer & County share in land sales (32/68)
 - If above strike price, Master Developer & County (40/60)
- Master developer (or vertical developer) must:
 - Obtain building permit within 9 mos. of land purchase
 - Begin vertical construction within 11 months of land purchase
- Parcels after Phase 1 will be sold based on:
 - Predetermined schedule
 - Market demand
 - Developer performance

Article V: Phased Development; Requirements applicable to all phases

- Park Dedication
- Job Creation
- Affordable Housing
- Energy Performance Standards

Article VI: Acquisition and Development of Phase 1 Development Property

- Min. Strike Price - \$22.5M
- Not less than 3 months prior to closing, preliminary plats and plans must be submitted to JDA.
- Closing occurs after final plats approved by JDA
- Standards that apply to all Phase 1 development
 - Project completion by 12/31/24 or 54 mos. after construction ready date
 - Energy resiliency performance standards
 - Job creation performance standards (if applicable)
 - Affordable Housing performance standards (if applicable)

Phase 1 – Land Acquisition & Development

*Natural
Resources Corridor*

*Town Center
Roads*

Ring Road

Spine Road

Phase 1 Program

- Hill South [7&8]
- Commercial block [2}
- Hotel Block [22]
- Entertainment block [23]
- Senior Housing [24]
- Civic block [25]

≈ 70 acres - Takedown



Phase 1: Development Program

- Hill South [Parcels 7 and 8]
 - Approx. 170 units, Single Family, Owner Occupied
 - Completed Value ~\$29.5M
 - A construction value of at least 5x the Strike Price
 - 2 affordable units



Phase 1: Development Program

- Commercial Block [Parcel 2]
 - Approx. 228K sq. ft. commercial/office
 - Completed Value ~\$35.3M
- Hotel Block [Block 22]
 - Approx. 200 Rooms
 - 150 Apartments,
 - 8,500 SF Retail
 - Prospective office, depending on market
 - Completed Value ~\$35.3M



Phase 1: Development Program

- Entertainment Block [Parcel 23]
 - Approx. 42,000 sq. ft. movie theatre, restaurant, brewery
 - Approx. 100 senior apartments
 - 8,500 SF Retail
 - Completed Value ~\$13M

- Senior Housing Block [Parcel 24]
 - Approx. 225 units Senior Housing
 - 8,500 SF Retail
 - Completed Value ~\$13M
 - No affordability requirement, but endeavor to set aside some affordable units



Article VII: Acquisition and Development of Remaining Properties in Future Phases

- Civic [Parcel 25]
- Thumb/Corporate Campus [Parcel 1]
- Office/Mixed Use [Parcel 3]
- Flex [Parcels 4 & 5]
- Southeast Retail [Parcel 6]
- Hill North [Parcels 10 -12]
- Creek [Parcels 13 & 14]
- Town Center [Parcels 15 - 21]



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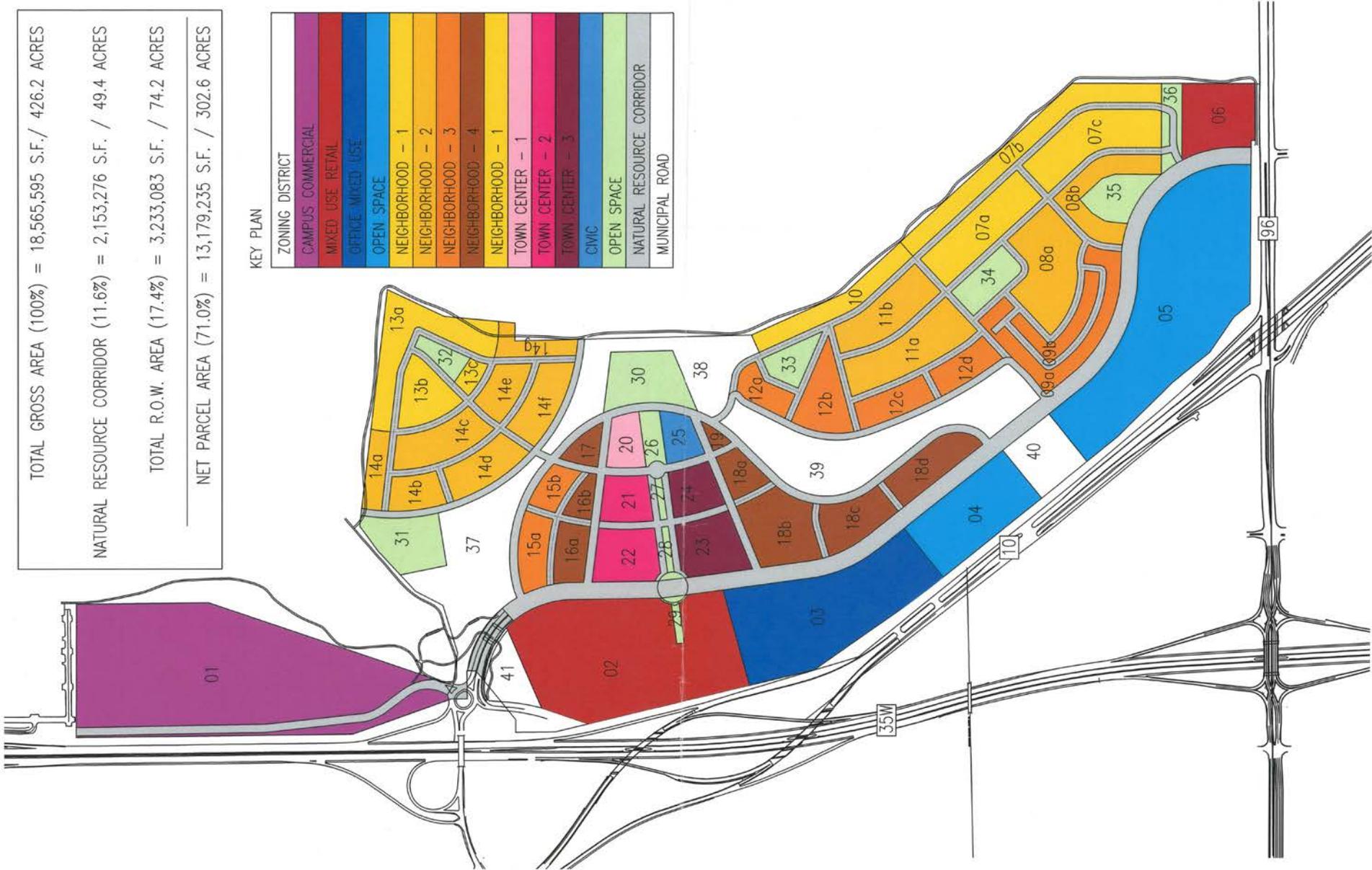
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[Purple]	ZONING DISTRICT
[Red]	CAMPUS COMMERCIAL
[Orange]	MIXED USE RETAIL
[Yellow]	OFFICE MIXED USE
[Light Blue]	OPEN SPACE
[Light Green]	NEIGHBORHOOD - 1
[Light Yellow]	NEIGHBORHOOD - 2
[Light Orange]	NEIGHBORHOOD - 3
[Light Brown]	NEIGHBORHOOD - 4
[Light Purple]	NEIGHBORHOOD - 1
[Light Blue]	TOWN CENTER - 1
[Light Green]	TOWN CENTER - 2
[Light Yellow]	TOWN CENTER - 3
[Light Blue]	CWIC
[Light Green]	OPEN SPACE
[Light Blue]	NATURAL RESOURCE CORRIDOR
[Grey]	MUNICIPAL ROAD



Article VII: Acquisition and Development of Remaining Properties in Future Phases

- Master Developer may request a closing on future parcels at any time prior to target dates
- MD required to purchase entire parcels, except commercial parcels can be subdivided and purchased at per SF portion of Strike Price
- If City chooses to not use civic block, County will sell property to MD for at least assessed value of TC3 zoned property

Article XI: Events of Default

- MD will have 180 days to remedy the problem
- JDA and County have authority
 - Suspend development activities
 - Cancel, rescind or terminate the MDA and related agreements
 - Retain any funds held in escrow
 - Reacquire any property previously sold to MD or vertical developers

City Responsibilities

- MDA and Exhibit K (Cooperative Agreement) outline City responsibilities:
 - Planning area charge paid by MD
 - Trunk Water and Sewer (~\$3.2M)
 - County financed and constructed, City repays County through City SAC and WAC (revised fees)
 - Water Tower (~\$5.2M)
 - Acquisition and construction by City. Built at time of need.
 - Financed through Special Assessment
 - Since no SAC charges due to Met Council, City and JDA will not impose equivalent fee on RCC development
 - Cooperative agreement can only be amended by City, County and JDA

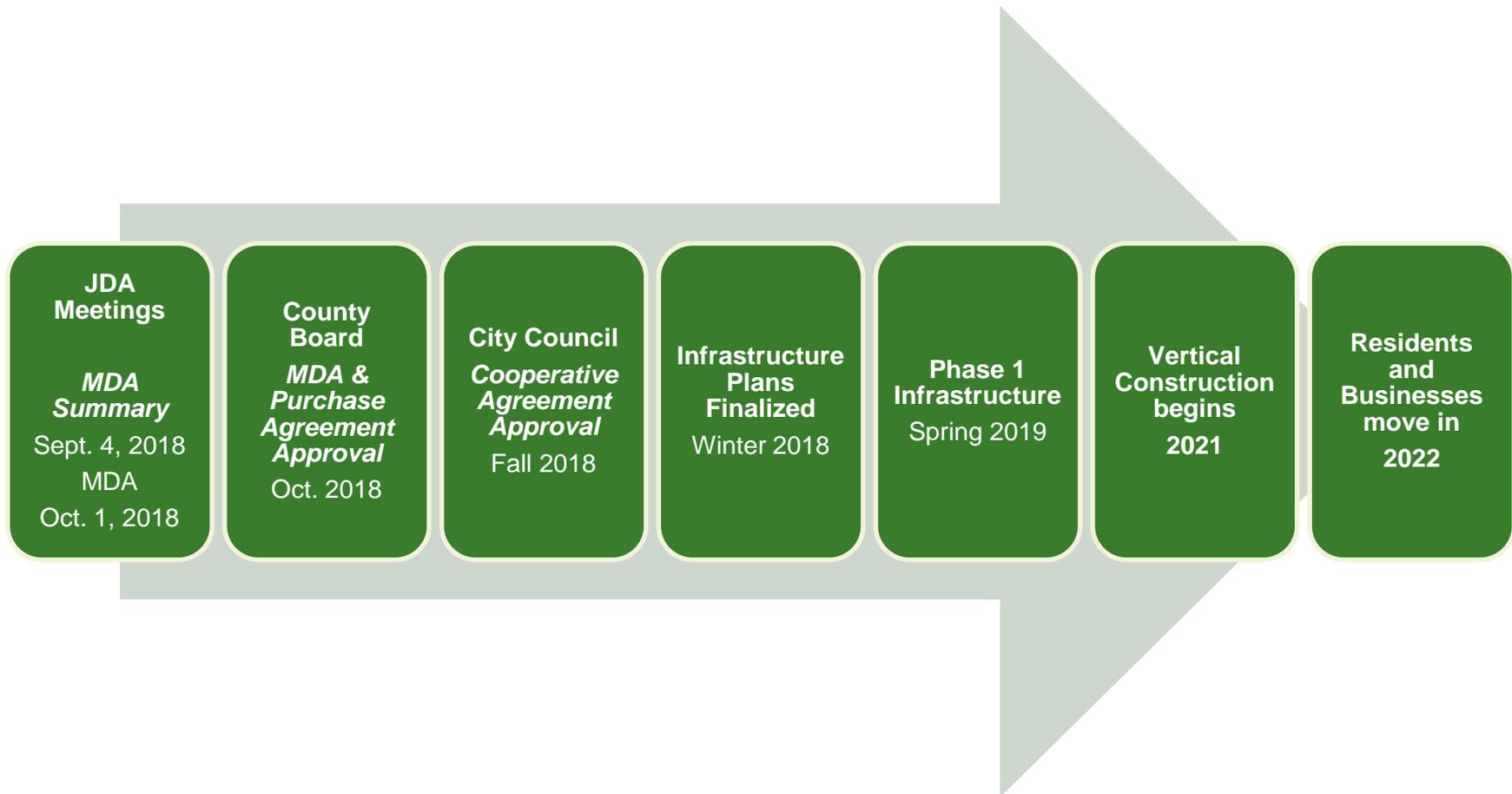
Other Provisions

- MD is prohibited from holding land
- MD can sell property to vertical developers
 - Cannot assign or transfer its obligations under the MDA to vertical developer w/o approval from the JDA and the County
 - Vertical Developers subject to same performance standards
- Joint recruitment of corporate campus buyers
- Joint marketing, branding and business recruitment
- MD and vertical developers are responsible for creation of HOAs, Property Owners Associations or Special Service Districts
- MDA can only be amended with approval of JDA, County and Master Developer

Other Provisions

- Development standards under TCAAP Master Plan can only be revised with approval of City, County and JDA
- County will maintain County road and County regional trails
- City will maintain public parks, utilities, and other areas and improvements dedicated to City according to ordinary standards
 - Enhanced maintenance will be funded or provided through HOAs, Property Owners Associations, or Special Service Districts

Project Timeline – *Going Forward*



Areas of Ongoing MDA Refinement

- Phase 1 Infrastructure Design and Schedule
- Performance Standards
- Affordable Housing
- Energy Infrastructure
 - MOU between County, Alatus and Xcel Energy
 - Advanced Energy Community Pilot Project
- Workforce Participation Goals