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**City of Arden Hills and Alatus Agree on Terms for TCAAP Project
Agreement reduces risk to City and Taxpayers**

Arden Hills, Minn. - The City of Arden Hills has agreed to terms with Alatus, the Master Developer, on the Twin Cities Army Ammunition Plant (TCAAP) project, otherwise known as Rice Creek Commons.

The agreement follows a court ruling in Arden Hills favor in the litigation that was brought by Ramsey County against the City. The terms will be incorporated into a future Master Development Agreement, and will move forward when Ramsey County sells the land to Alatus to begin development. The new development agreement was approved by the City Council at its meeting on May 9, 2022.

The agreement on Rice Creek Commons is the culmination of months of discussions and planning between City representatives and Alatus.

The agreement includes:

- Substantial risk reduction for the City, \$17 million in Tax Increment Financing (TIF) for the project, and affordable housing on the site.
- This agreement reduces risk to the City by having Alatus privately finance the construction of a water tower (estimated at \$5 million), and water and sewer utilities (estimated at \$3.5 million), and other necessary infrastructure improvements.
- This financing structure alleviates the City and its residents of a debt burden should the project stall due to unforeseen circumstances.
- Alatus has also agreed to fund City deficits on the project during the first five years should revenues not be sufficient to cover expenses.
- The developer will reimburse the City for previously incurred planning costs of \$1 million. The developer has also agreed, at their cost, to construct three new City parks, previously estimated at \$14.5 million and turn them over to the City. The \$17 million in TIF provided to Alatus will offset costs to provide parking.



The Rice Creek Commons project will include 326 units of affordable housing, of which 20 percent will be owner-occupied. Furthermore, of the 326 units, 180 units are planned to be affordable at 50 percent and 60 percent of the Area Median Income (AMI) for Ramsey County.

Other previously established criteria of the development will remain part of the agreement. For example, the overall density on the site will be 1,460 housing units. When fully developed the project will also create an estimated 4,000 additional jobs and new commercial, retail, and industrial development.

The City hopes that Ramsey County will soon reach an agreement and sell the property to the developer to move this almost \$1 billion development forward.

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