

# **Terms and Conditions for Municipal Parking Ramp Sales**

**St. Anthony Ramp LLC (“Buyer”)**

**St. Anthony Parking Ramp (“Parking Ramp”)**

**Purchase Price: \$2,525,000 in cash at Closing**

## **Schedule for Transaction:**

1. Buyer makes non-refundable good faith deposit of \$25,000 (the “Good Faith Deposit”) upon Council approval.
2. July 20, 2007 – September 30, 2007, Buyer completes Due Diligence process (such period being the “Due Diligence Period”) upon expiration of which, either negotiations terminated or Purchase Agreement signed.
3. July 20, 2007 – October 31, 2007, negotiate and execute Purchase Agreement..
4. Close 30 days after execution of Purchase Agreement, at which point, Buyer pays entire Purchase Price plus provides City with the Letter of Credit (the “Closing”). The Good Faith Deposit shall be applied to the Purchase Price.

## **Development Commitments:**

Buyer agrees to develop 70 – 100 residential housing units and street level retail space on or adjacent to the Parking Ramp with a minimum total development cost of at least \$10,000,000 and obtain LEED Certification for the project from the US Green Building Council (the “Development Commitment”). Such development shall proceed on the following schedule:

- Within 18 months after the Closing date, Buyer will deliver a proposal to the City for the development of such a housing project in order to initiate the City zoning and permitting approval process.
- Construction of such project will commence within 3 years after the Closing date, subject to force majeure and shall be completed within 24 months after construction is begun, subject to force majeure (the “Completion Date”).
- Buyer shall deposit and continually maintain with the City until completion of the Development Commitment, a letter of credit equal to \$540,500 to secure timely completion of the Development Commitment subject to force majeure (the “Letter of Credit”). The City shall be able to draw on the Letter of Credit for Buyer’s failure to timely complete the Development Commitment.

Buyer understands that the approvals for any such development must proceed through the City's approval process and that proposed uses should be consistent with current area plans and planning guidelines. Although Buyer may request changes to such guidelines during the approval process, the City is in no way obligated to approve any regulatory or zoning request or application made by Buyer in connection with development of the Parking Ramp.

With respect to the completion of such Development Commitment, the Buyer shall comply with the standard City contracting requirements with respect to Equal Opportunity/ Affirmative Action; Prevailing Wages; and Apprenticeship.

Buyer (for itself and any affiliate thereof) specifically covenants not to request tax increment assistance from the City for any development related to the Parking Ramp. Such covenant shall survive the Closing and shall remain in effect for at least ten (10) years after the Closing Date.

Upon commencement of the Development Commitment, the City will consider replacement of the Letter of Credit with other collateral or assurances of performance reasonably acceptable to the City, but the City shall have no obligation to accept any such replacement collateral.

**Equal Access to Parking:**

A declaration filed against the Parking Ramp property requiring the Parking Ramp owner to offer all tenants at the St. Anthony Main Development equal access to the parking in the ramp at equal rates for as long as the ramp is used for parking purposes or thirty (30) years, whichever is longer.

**City Lease:**

As a condition of the sale, the City shall receive a rent free two year lease to the office space on the 6<sup>th</sup> level of the Parking Ramp for City inspectors' use.

**Guthrie Theater Foundation (“Buyer”)  
Riverfront Parking Ramp (“Parking Ramp”)  
Purchase Price: \$16,500,000 in cash at Closing**

**Schedule for Transaction:**

1. Developer makes non-refundable good faith deposit of \$25,000 (the “Good Faith Deposit”) upon Council approval.
2. July 20, 2007 – September 30, 2007, Developer completes Due Diligence process (such period being the “Due Diligence Period”) upon expiration of which, either negotiations terminated or continued on Purchase Agreement.
3. July 20, 2007 – October 31, 2007, negotiate and execute Purchase Agreement.
4. Close 30 days after the later of (i) execution of Purchase Agreement, or (ii) the closing of tax exempt financing referred to below, but in no event later than January 2, 2008, at which point, Buyer pays entire Purchase Price (the “Closing”). The Good Faith Deposit shall be applied to the Purchase Price.

**Title Encumbrances:**

The following items shall be permitted encumbrances on title:

- An obligation to accommodate and grant easements and rights to a future adjacent development reasonably similar to the easements and rights that had been proposed in the form of Access Easement Agreement attached to the Redevelopment Contract with the Rottlund Company (City Contract C-22854), provided Buyer is granted the easements and rights intended to benefit the City. Buyer agrees to reasonably accommodate greater easements and rights benefiting the adjacent development, such as relocation of the access easement or adding an additional entrance point, provided such greater easements and rights shall not materially adversely impact the operation of the Parking Ramp.
- A reservation of underground mined space in the deed.

**Rate Notification:**

The City and Buyer will agree to provide each other at least 30 days prior written notice in advance of any rate changes on either the Parking Ramp or the Mill Quarter Ramp.

**Alatus Partners LLC (“Buyer”)**

**Centre Village Ramp**

**Downtown East Ramp**

**Federal Courthouse Ramp**

**Gateway Ramp**

**Loring Ramp**

**Seven Corners Ramp (the “Parking Ramps”)**

**Purchase Price: \$69,250,000 in cash at Closing**, provided that if the United States General Services Administration (GSA) does not approve the conveyance of the City’s leasehold interest in the Federal Courthouse Ramp to Buyer by the time of Closing on the other 5 parking ramps, then the City shall sell and the Buyer shall buy the other 5 parking ramps for **\$66,250,000** and otherwise on the terms hereof. If GSA approves the conveyance within 12 months after the Closing on the other 5 ramps, Buyer shall acquire the Federal Courthouse leasehold interest for a purchase price of \$3,000,000 within 150 days of notice (including a 90 day due diligence) and otherwise consistent with the terms herein. If GSA does not approve the conveyance of the Federal Courthouse Ramp to Buyer within 12 months after the Closing date for the other 5 parking ramps, the City and the Buyer shall have no further obligation with respect to the Federal Courthouse Ramp.

**Schedule for Transaction:**

1. Buyer makes non-refundable good faith deposit of \$25,000 (the “Good Faith Deposit”) upon Council approval.
2. July 20, 2007 – October 20, 2007, Developer completes Due Diligence process (such period being the “Due Diligence Period”) upon expiration of which, either negotiations terminated or Purchase Agreement signed.
3. July 20, 2007 – November 20, 2007, negotiate and execute Purchase Agreement.
4. Close 30 days after execution of Purchase Agreement, at which point, Buyer pays entire Purchase Price plus provides City with the Seven Corners Letter of Credit and Beautification Letter of Credit (the “Closing”). If Buyer has not entered into an option agreement in favor of the Metropolitan Sports Facilities Commission (“MSFC”) and/or MVZ Ventures, LLC (“MVZ”) to purchase the Downtown East Ramp on terms mutually acceptable to Buyer and the option holder, and consistent with the terms of this termsheet by the Closing (the “Option”), the Buyer shall also deliver the DT East Letter of Credit at Closing. The Good Faith Deposit shall be applied to the Purchase Price.

If at all possible, the Closing for all of the Parking Ramps will occur on the same date, to be mutually agreed upon by both parties, which date shall be no later than 30 days after the execution of the Purchase Agreement. Extensions of such Closing date with respect to any individual ramps and any escrows or amendments to accommodate such

extensions may be approved by collective agreement of the Buyer and City's CPED Director, Finance Officer and Public Works Director.

**Contingencies for City Benefit:**

The obligations of the City under any Purchase Agreement shall be subject to and contingent upon each of the following contingencies being satisfied by Buyer or waived by the City's CPED Director on or before the end of the Due Diligence Period and maintained through the Closing date:

- A. Buyer shall have made best efforts in the opinion of the City's CPED Director to enter into the Option.
- B. Unless waived by the City's CPED Director because the Centre Village condominium homeowner's association refused to reasonably negotiate or to accept a reasonable offer from Buyer, Buyer shall have entered into an agreement with the homeowner's association to execute at Closing a long term lease or license agreement with, or shall have reached an agreement for parking rates that will be made available to the unit owners for an agreed period for monthly contracts of the requisite spaces, on terms mutually acceptable to Buyer and such association.
- C. The City and Buyer shall have negotiated and executed (upon Closing) a skyway agreement in a mutually agreeable form, to govern the existing skyway between the Gateway Ramp and the HAAF Ramp to the south.
- D. Buyer shall have used best efforts in the opinion of the City's CPED Director to negotiate an agreement with the Metropolitan Council (the "Met Council") to purchase or extend the lease for that portion of the Gateway Ramp currently being leased by the Met Council on terms mutually acceptable to Buyer and Met Council and made good faith efforts to assemble a development plan and obtain site control for such plan that would incorporate the Gateway Ramp.

If any of the contingencies has not been satisfied on or before the end of the Due Diligence Period to the reasonable satisfaction of the City's CPED Director or waived by the City's CPED Director, then the negotiations may be terminated at the City's option by written notice to the Buyer and the Good Faith Deposit shall be forfeited.

Buyer understands that it is the City's intention to transfer to Buyer at closing, all obligations it currently has with respect to the Parking Ramps, which have been disclosed to Buyer during the RFP process. Such obligations include, but are not limited to the Use Agreement and Right of Entry dated September 17, 2003 related to the Downtown East LRT Site Public Plaza for Metrodome-related events and the City's current obligations with respect to walkways and alleys adjacent to the Centre Village Ramp.

## **Development Commitments:**

### ***Downtown East Ramp:***

Buyer agrees to develop housing, hotels, retail or other improvements on or adjacent to the Downtown East and Seven Corners Ramps, as follows:

- With regards to the Downtown East Ramp, Buyer agrees to develop one or more housing (most likely apartments), commercial, service, retail and/or hotel projects on such ramp, having a total development cost of at least \$13,000,000 and obtain LEED Certification for the project from the US Green Building Council (the “DT East Development Commitment”). Such development shall proceed on the following schedule:
  - Not later than six (6) months after expiration of the Option, which shall not extend beyond December 31, 2009 if the Option is executed at the time of Closing, or six (6) months after Closing if the Option is not executed at the time of Closing, Buyer will deliver a proposal to the City for the development of such project or projects in order to initiate the City zoning and permitting approval process.
  - Construction of the first phase of such project or projects will commence within 18 months after expiration or termination of the Option, subject to force majeure if the Option is executed at the time of Closing, or six (6) months after Closing if the Option is not executed at the time of Closing, and the DT East Development Commitment shall be completed within 18 months after the commencement of such construction, subject to force majeure (the “DT East Completion Date”).
  - Within 10 business days after expiration of the Option, if the Option is executed at the time of Closing, or six (6) months after Closing if the Option is not executed at the time of Closing, Buyer shall deposit and thereafter continually maintain with the City until completion of the DT East Development Commitment, a letter of credit equal to \$826,226 to secure timely completion of the DT East Development Commitment subject to force majeure (the “DT East Letter of Credit”). The City shall be able to draw on the DT East Letter of Credit for Buyer’s failure to timely complete the DT East Development Commitment.
  - If the MSFC or MVZ exercise the Option then, upon the MSFC or MVZ acquiring title to the Downtown East Ramp, the acquiring party must assume (in a form reasonably satisfactory to the City) Buyer’s obligations with respect to the Downtown East Ramp and deposit a DT East Letter of Credit to secure completion of the DT East Development Commitment, as provided herein. The acquiring party must deliver their development proposal within six (6) months after exercising the Option and the acquiring party may satisfactorily meet the DT East Development Commitment through development on either the Downtown East Ramp parcel or an immediately

adjacent parcel to the DT East Ramp by starting construction within 18 months of acquiring the Downtown East Ramp and completing the DT East Development Commitment within 18 months of starting construction subject to force majeure. Upon such assumption and deposit, Buyer shall have no further development obligation as to the Downtown East Ramp.

- Prior to development on the Downtown East Ramp site, the Buyer (or MVZ or MSFC) must comply with all applicable requirements of the National Environmental Policy Act of 1969, as amended, 42 U.S.C. Sections 4321 et seq., Executive Order No. 11514, as amended, “Protection and Enhancement of Environmental Quality,” 42 U.S.C. Sec. 4321 note; FTA statutory requirements at 49 U.S.C. Sec. 5324(b); Council on Environmental Quality regulations pertaining to compliance with the National Environmental Policy Act of 1969, as amended, 40 C.F.R. Part 1500 et seq; the joint FHWA/FTA regulations, “Environmental Impact and Related Procedures,” 23 C.F.R. Part 771 and 49 C.F.R. Part 622, and , when promulgated, FHWA/FTA joint regulations, “NEPA and Related Procedures for Transportation Decision making, Protection of Public Parks, Wildlife and Waterfowl Refuges, and Historic Sites,” 23 C.F.R. Part 1420 and 49 C.F.R. Part 623, compliance with which, shall be evidenced to the City at a minimum with an Environmental Impact Assessment completed prior to the start of any development on the site.

***Seven Corners Ramp:***

- With regards to the Seven Corners Ramp, Buyer agrees to develop a housing project (most likely apartments) having a total development cost of at least \$9,842,000 and obtain LEED Certification for the project from the US Green Building Council (the “Seven Corners Development Commitment”), and shall proceed on the following schedule:
  - Within 6 months after the Closing date, Buyer will deliver a proposal to the City for the development of such a housing project in order to initiate the City zoning and permitting approval process.
  - Construction of such project will commence within 18 months after the Closing date, subject to force majeure and shall be completed within 18 months after construction is begun, subject to force majeure (the “Seven Corners Completion Date”).
  - Buyer shall deposit and continually maintain with the City until completion of the Seven Corners Development Commitment, a letter of credit equal to \$455,582 to secure timely completion of the Seven Corners Development Commitment subject to force majeure (the “Seven Corners Letter of Credit”). The City shall be able to draw on the Seven Corners Letter of Credit for Buyer’s failure to timely complete the Seven Corners Development Commitment.

- Buyer acknowledges that the Seven Corners Parking Ramp is the primary public parking ramp for the adjacent neighborhood and that in considering any application for increased building height for the Seven Corners Development Commitment (over and above that currently permitted by zoning), the City shall take into account whether Buyer has made accommodations to the local businesses with respect to the current parking deficiencies in the neighborhood.

Buyer understands that the approvals for any such development must proceed through the City's approval process and that proposed uses should be consistent with current area plans and planning guidelines. Although Buyer may request changes to such guidelines during the approval process, the City is in no way obligated to approve any regulatory or zoning request or application made by Buyer in connection with development of any Parking Ramp.

***Beautification Improvements:***

- Buyer also agrees to make primarily exterior beautification improvements to the Gateway, Center Village AND Loring Ramps at a cost of at least \$2,000,000. (the "Beautification Improvements"). The timeline for these Beautification Improvements is:
  - Buyer shall provide the City with a Beautification Improvements proposal within 8 months after Closing which shows what improvements will be made at which Parking Ramp. The City expects a reasonable distribution of such Beautification Improvements between the three ramps. The CPED Director shall have the right to approve or reject the Beautification Improvement plan, provided the CPED Director shall not unreasonably withhold approval. In any event, however, Buyer shall commence such Beautification Improvements consistent with a CPED Director approved plan by no later than 12 months after Closing and complete such Beautification Improvements by no later than 24 months after Closing (the "Beautification Completion Date"), subject in each case to delays because of force majeure. The CPED Director may, however, approve any reasonable changes to either the timeline or scope of the Beautification Improvements administratively.
  - In no event shall Buyer be obligated to expend more than \$2,000,000 total for such Beautification Improvements.
  - Buyer shall deposit and continually maintain with the City until completion of such Beautification Improvements, a letter of credit equal to \$2,000,000 to secure timely completion of the Beautification Improvements subject to force majeure (the "Beautification Letter of Credit"). The City shall be able to draw on the Beautification Letter of Credit for Buyer's failure to timely complete the Beautification Improvements and Seller shall be granted the right to go on to the Gateway Ramp, Loring Ramp and Centre Village ramp

properties, as appropriate to complete the Beautification Improvements. Reimbursement for any actual out-of-pocket costs over and above the Beautification Letter of Credit funds incurred by the City in curing a default related to the Beautification Improvements, including an administrative fee of fifteen percent (15%) of such costs, will be due and payable immediately by Buyer with interest thereon at the rate of six percent (6%) per annum. Notwithstanding the foregoing, the Finance Officer may approve alternative security for completion of the Beautification Improvements acceptable to the City.

With respect to the completion of the DT East Development Commitments, the Seven Corners Development Commitment or the Beautification Improvements, the Buyer (or the MSFC/MVZ with respect to the Downtown East Ramp) shall comply with the standard City contracting requirements with respect to Equal Opportunity/ Affirmative Action; Prevailing Wages; and Apprenticeship.

***Loring Ramp:***

Buyer agrees to undertake engineering studies adequate to determine the feasibility of a liner housing development around the Loring Ramp within 8 months after closing and report back to the City on that feasibility. If such liner housing development is feasible from both an economic and physical standpoint, Buyer shall begin construction of such liner housing within 24 months of determining such feasibility.

***Gateway Ramp:***

Buyer will explore the potential for additional development of or adjacent to the Gateway Ramp, but Buyer shall have no obligation to do any such development.

***Tax Increment:***

Buyer (for itself and any affiliate or successor in interest, including MVZ or MSFC) specifically covenants not to request tax increment assistance from the City for any development related to any of the parking ramps. With respect to the MVZ or MSFC, this restriction shall apply to whatever improvements are going to be considered the DT East Development Commitment. Such covenant shall survive the Closing and shall remain in effect for at least ten (10) years after the Closing date.

***Time Extensions:***

In the event that Buyer (or MSFC or MVZ, with respect to the DT East Development Commitment) obtains City zoning and regulatory approval of a Development Commitment project having a total cost of 120% or more of the minimum set forth above for the applicable Development Commitment, the time for commencement and completion of such Development Commitment shall each be automatically extended for an additional 12 month period. For the purposes of calculating the extra 20% development investment with respect to a MVZ or MSFC development, MVZ or MSFC may designate any development undertaken either on the Downtown East Ramp parcel and/or any and all parcels immediately adjacent to the Downtown East Ramp parcel,

provided such is treated as a part of the DT East Development Commitment for purposes of application of the standard City contracting requirements with respect to Equal Opportunity/Affirmative Action; Prevailing Wages; and Apprenticeship.

Upon commencement of any of such projects, the City will consider replacement of the applicable letter of credit with other collateral or assurances of performance reasonably acceptable to the City, but the City shall have no obligation to accept any such replacement collateral.

***Riverfront Ramp:***

The Buyer acknowledges that the City has offered to sell the Riverfront Ramp to the Guthrie Theater Foundation (the "Guthrie"). As a condition to the City agreeing to sell the Ramps described herein to Buyer, however, the Buyer agrees to purchase the Riverfront Ramp in the event a conveyance to the Guthrie does not occur by March 1, 2008. Buyer's purchase of the Riverfront Ramp shall be for the purchase price of \$16,000,000 upon terms substantially similar to those described herein for the parking ramps without development commitments, within 150 days following City notification, including a 90 day due diligence period.

In addition to other encumbrances that may exist on the Riverfront Ramp, the following items shall be permitted encumbrances on title:

An obligation for Buyer to accommodate and grant easements and rights to a future adjacent development similar to the easements and rights that had been proposed in the form of Access Easement Agreement attached to the Redevelopment Contract with the Rottlund Company (City Contract C-22854), provided Buyer is granted the easements and rights intended to benefit the City. Any greater easements and rights benefiting the adjacent development shall not materially adversely impact the operation of the Parking Ramp. Buyer acknowledges that without some specific materially adverse impact on the operation of the Parking Ramp related to location, merely adding an additional access point through the Parking Ramp to Lot 2 does not materially adversely impact the operation of the Parking Ramp provided the annual access payment is adjusted accordingly.

- An amendment to the existing Guthrie Parking Agreement eliminating the option to relocate Guthrie employee parking to any site other than the Riverfront Ramp.
- A reservation of underground mined space in the deed.